



Monthly Report

By Gjenna Vold

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Cattle and hog industry financial crisis

The Canadian Cattlemen's Association (CCA)'s vice president Brad Wildeman appeared before the House Standing Committee on Agriculture with representatives of the hog industry in November and again in late January to describe the state of the industry. As a result of the first hearing, the Standing Committee made several recommendations to alleviate the current crisis and increase the competitiveness of the value-added segments of the industry in the long-term. The CCA thanks the Standing Committee and its members for these recommendations which are very much in line with the needs of the cattle industry.

CCMDC mission to Mexico

Members of the Canadian Cattlemen Market Development Council (CCMDC) recently undertook their second market intelligence mission since being charged with overseeing the "Legacy Fund", a contribution of \$50 million by the Government of Canada and \$30 million by the Government of Alberta to support long-term market development for the Canadian beef and cattle genetics industry.

The trip to Mexico was divided into three key stops: Mexico City, Puerto Vallarta and Monterrey. Members met with beef distributors, wholesalers, retailers and food service companies throughout the mission, such as Wal-mart Mexico, Commercial Mexicana, Saga Inc., Alimentos San Mateo, AyVi, and various others. Members were also able to attend the Canada Beef Export Federation (CBEF)'s Demand Building Seminar, meet with the Confederacion Nacional de Organizaciones Ganaderas (CNOG) to discuss the resumption of trade and a coordinated approach to country of origin labelling, and talk with Agriculture and Agri-Food Minister Gerry Ritz.

As reported last month, the government announced some minor improvements to Business Risk Management programs on December 19, and described that announcement as the first stage in a national action plan. Furthermore, the Canadian Food Inspection Agency (CFIA) announced some policy changes that will partially ease the cost of complying with the enhanced feed ban. Nevertheless, much more needs to be done and the CCA continues to await the next stage in the government's action plan which we hope includes implementing the recommendations of the CCA and the Standing Committee on Agriculture.

The Canadian beef industry has regained access to many international markets since borders were closed due to Bovine Spongiform Encephalopathy (BSE) in 2003. Unfortunately, several key markets remain either closed or highly restricted. Expanded consultation and communication with potential markets like Mexico is vital for the industry's access into foreign markets and developing long-standing relationships.

The CCMDC was established by the CCA to oversee the administration and allocation of the \$80 million government contributions. These funds were entrusted to the CCA to administer over a 10 year period and in combination with matching industry funds, they are expected to provide over \$170 million for industry marketing efforts. Through the CCMDC, industry and governments are working together to enhance marketing as a key element of the BSE recovery plan "*to recover and expand markets for beef and cattle genetics around the world ensuring a profitable, sustainable Canadian industry that results in Canadian beef and cattle being recognized as the most outstanding by Canadian and world customers*".

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- Rule 2 update
- U.S. FDA clears meat and milk from cloned animals
- Potential WTO agreement means billions for Canadian exporters: CAFTA
- Greenhouse gas emissions
- New manager of federal provincial relations

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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Rule 2 update

A hearing date for a preliminary injunction sought by the Ranchers-Cattlemen Action Legal Fund (R-CALF) against the United States Department of Agriculture (USDA)'s "Rule 2" has been set for February 19, 2008 in Sioux Falls, South Dakota. The CCA will be present for the hearing and will provide further updates as they become available.

The CCA's request for official intervenor status in the case is still pending. This would provide the CCA with the right to submit evidence and pursue an appeal if necessary.

Rule 2 came into effect on November 19, 2007, and allows for the export of live cattle - breeding or for slaughter - born on or after March 1, 1999 and beef products of any age into the United States. From November 19 to January 26, total over-30-month (OTM) exports were just under 31,040 head, compared to nearly 165,000 OTM animals slaughtered in Canada during the same period. Clearly there has been no flood of cull cows going over the border.

U.S. FDA clears meat and milk from cloned animals

On January 15, a final risk assessment was released by the U.S. Food and Drug Administration (FDA) stating that meat and milk from cloned animals are safe to consume. The FDA approval is expected to be the first regulatory clearance needed before meat and milk from cloned goats, cows and pigs can be sold in the U.S. marketplace.

FDA researchers collected data on more than 600 U.S. cloned animals and their offspring. Scientists examined a number of factors, including size, health, blood characteristics and behaviour of cloned animals, according to the risk assessment report. The study also said nutrient levels in meat and milk from cloned animals were comparable with traditionally bred animals.

Currently in Canada, food from cloned animals is forbidden. Canada has its own process under Health Canada and the Canadian Food Inspection Agency (CFIA) to assess these products and have indicated they will consider the FDA's findings.

As for the economies of cloning beef, it could be years before any products from cloned animals may be available in stores, or applied to anything but superior breeding stock. Currently, it costs between \$10,000 and \$20,000 to produce a cloned animal.



Potential WTO agreement means billions for Canadian exporters: CAFTA

The Canadian Agri-Food Trade Alliance (CAFTA) has announced that the prospect of a WTO agreement within the next few months is welcome news for Canada's agriculture and agri-food exporters. The WTO agriculture negotiations provide Canada with the opportunity to address issues such as high tariffs and global subsidies that distort production and prices.

In late 2007, CAFTA commissioned the George Morris Centre (GMC) to conduct an analysis of the work done to date in the WTO negotiations. That report indicates that once the tariff and subsidy reductions are fully phased in, significant gains for Canadian agriculture will be realized. The GMC's analysis indicates that a WTO agreement would generate an annual increase of about \$3 billion in export value for selected primary Canadian commodities. In the beef sector, once the tariff reductions are fully phased in, the GMC predicts an additional 174,000 tonnes of beef exports valued at nearly \$1 billion. The GMC also predicts an increase of approximately 38 cents per pound to the price of live cattle.

CAFTA hopes that after nearly seven years of detailed and complex negotiations, the differences may soon be narrow enough to bring trade and agriculture ministers together from around the world to finalize an agreement. The CCA supports CAFTA in calling on the Canadian government to harvest this good deal for Canadian beef producers and Canadian agriculture.

Greenhouse gas emissions: the big picture

Greenhouse gases are a measure of inefficiencies in a production system - whether you are making cell phones, hybrid cars or raising cattle. Critics who suggest that fewer cattle on the planet would reduce greenhouse gas (GHG) emissions fail to consider the complete picture.

Canadian cattle producers work hard to ensure environmental sustainability. They understand that GHG emissions are losses of valuable inputs to cattle production and represent inefficiencies in production and are working to reduce emissions as much as possible. Methane emissions from cattle are largely a factor of feed quality and digestibility. As feed quality increases, methane emissions per pound of meat produced decreases. The quality of feed and pastures which Canadian cattle are provided far exceeds that of most countries.

With the level of care Canadian producers practice for the environment and for their cattle herd, methane emissions from Canada's beef industry account for only 0.05 per cent of global GHG emissions. (National Inventory Report, 1990-2004 - Greenhouse Gas Sources and Sinks in Canada, Environment Canada)

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Through research and technology, Canadian cattle producers are leaders in the environmental management of the land and in management practices to reduce the level of methane that is produced.

New manager of federal provincial relations

The CCA is pleased to announce that Ryder Lee will be undertaking the new role of Manager of Federal Provincial Relations.

The creation of this position underscores the CCA's objective to develop policy using a national team approach in which the views of cattle producers in every region of Canada are taken into account. Every provincial cattle organization has a role to play in advocating policies to both federal and provincial governments. In this new role, Ryder will work to ensure that the provinces are fully informed of and able to seize opportunities to be involved in the CCA's government advocacy efforts.

Ryder joined the CCA staff as a policy analyst in 2005. He will continue to be based in the CCA's Ottawa office and will retain his current staff role for the Animal Care Committee and the Domestic Ag Policy and Regulations Committee.