



Canadian Beef Breeds Council

Long Term International Strategies
2006/07

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Application

Long Term International Strategies 2006-2007

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Appendix A – Table of Activities 2006-2007

A. **Environmental Scan**

This section provides background information on the industry sector and its international markets. It sets the broad context for the proposed strategy.

A1. **Description of the Industry Sector**

- **The sector's main products are beef cattle genetics, including breeding cattle, embryos and semen, and related technologies and services.**

- **Total Output: Total Cattle Population: 15.7 Million**
- **Total Cows: 6 Million**
- **Total Purebred Cows: .5 Million**
- **Total Value of Output (Pre-BSE): \$110,000,000**
(See Issues and Impacts Analysis Attached).

- Proportion of sector's output represented by the industry association: **98%**
- Percentage growth rate of total output over the last five years: **Decrease of total output as indicated by a 4.5 % reduction in registrations of purebred cattle from 2003 to 2004 due to BSE though a probable increase in unregistered national herd also as a result of BSE (ie. Increase in older cows).**
- The industry realistically can expand its output by 150% over the next five years See Beef Cattle Genetics chart attached as Appendix B. The rationale for this assessment is based on restoration of markets to pre-BSE status, and the anticipated surge in demand resulting from this in markets such as USA & Mexico. Other countries such as China, will require additional promotion to overcome stigma of BSE.
- New products: **Information technology, expertise as well as breed specific branded beef products, such as Angus and the new Hereford on-farm freezer beef program**
- Proportion (value) of the sector's output accounted for by SME's (500 employees or less) **100%**
- Proportion of the association's membership accounted for by SMEs? **100%**
- The sector's share of output exported by value and volume is currently not a valid measure. Eg no live cattle have been exported since May, 2003. **Although the sector is highly export oriented, the potential for exports is not being viewed as near term and is highly speculative. Pre BSE percentage of total beef and cattle was 3% based on value of beef genetics (\$110,000,000.) as a percentage of total beef and cattle sales of \$3,750,000,000. It is anticipated that this level of exports could be reached within a 12 month time frame.**

A2. **Exporting Statistics**

Statistical information on the following and source:

- Total exports of companies participating in Long-Term International Strategies activities coordinated by your association for the past three years; **See Export Livestock Genetics by associate members attached.**
- Total Canadian exports of sector/region for a minimum of the past three years; **See**

Stats Canada information attached. We would challenge the data as being somewhat underestimated based on our research at the industry levels.

- The percentage of the sector's Canadian annual production that was exported for the past three years. See Stats Canada information attached.

A3. Conditions in International Markets

- **Key global markets include US, China, Russia, and Mexico. However regional or "niche" markets number 40-50 countries. Indications are that these markets are suffering from pent-up demand for Canadian high-quality genetics, in particular breeding cattle and that once protocols are negotiated to allow for exports of breeding cattle, that the opportunity to return to and exceed pre-BSE levels of demand will become available.**
- **Opportunities have been limited due to closed markets. Therefore the challenges being encountered by the purebred sector involve lobbying government and industry contacts to regain these markets.**
- **Canada's share of the key export markets has been declining due to closed markets as a result of BSE.**
- **Canada's main competitors are the US, EU25, Australia, and New Zealand. Australia and New Zealand are able to access major markets due to their BSE free status. Currently Brazil's ability to export genetics has been curtailed due to the presence of foot and mouth disease in several regions.**

B. The Multi-Year Strategy

Questions 1.1 through 2.4 of the Long-Term International Strategies rated criteria should be addressed here.

B1. Overview of the Strategy

The basis of the Canadian Beef Breeds Council international market development strategy is a value proposition: That Canada has a competitive and comparative international advantage in the production of beef cattle genetics. This is based on a number of measurable factors that include a systems approach to genetic improvement, climate, regulatory systems, and the skill of producers. It is fostered by the view held by the international community, supported by research, that Canadians are trusted and have a high degree of integrity.

Within Canada, there is and will be continued focus on closer collaboration within Canadian industry and stakeholders through such processes as Beef Value Chain Roundtable, Global Market Access Committee (GMAC), Beef and Cattle Producers Advisory Group (AAFC) and Beef and Cattle Producers Advisory Committee (CFIA). Programs such as the Quality Starts Here and HACCP are examples of how the industry is addressing food production practices and safety control measures to ensure our food is produced in a safe environment and production practices are environmentally friendly.

Internationally, access for breeding cattle to all markets needs to be achieved. In addition, trade irritants such as zootechnical impediments must be reduced. While harmonization in areas is desirable, points of differentiation will be probed, identified, and addressed.

There are many critical factors for success. These include:

Canada:

- competitiveness
- quality and safety of product
- consistency of supply
- understanding of markets and trends/information and export/import data
- profitability and sustainability
- strong, stable domestic market
- systems: identification, age verification and traceability
- systems: registration, parentage verification, and genetic improvement/evaluation
- cohesive value chain
- regulatory framework and certification
- alliances and partnerships
- service infrastructure

International:

- market access and few irritants
- competitiveness
- confidence of buyer/consumer
- destination infrastructure
- investment resources
- consistent, continued market presence
- distribution network/agent(s)

There are high-level desired outcomes for the industry. These include sustainably increasing the amount and value of exported Canadian genetics products. This is accomplished through market access and market development. Canadian must ensure that Canadian genetics products and their attributes meet the needs of target customers through awareness by advertising and supporting inbound and outbound missions. Though global markets for genetics are highly competitive and price-sensitive, the price paid for Canadian genetics products must be maximized. This submission is intended to provide an overview of the generic components of the purebred genetics sector's strategy and CBBC's role providing direction and focus in achieving both short term and long term results.

- **The mid to long term objective of the strategy is to regain and recapture pre-BSE share of world markets.** The subject strategy includes several components, including market development, market promotion, and market access initiatives. The nature of the overall strategy and strategy sub-components is defined in terms of several industry

initiatives as well as on-going inbound and outbound missions which are conducted to maintain contacts and establish new ones.

- Export markets targeted in the short term: **Reopen and re-access markets in the US and Mexico;**
- In the long term:
 - 1) **Reopen and re-access markets within a diversified global market portfolio outside of the US, thereby distributing potential for managing both opportunity and risk for exports and reinvestment in this sector;**
 - 2) **Establish niche markets as determined by breed strengths and characteristics;**
 - 3) **Achieve the long term goal of 5% of international agricultural market share by 2010 as defined by Canadian Agri-Food Marketing Council;**
- The viability of these different targets in the context of the sector's potential for export growth and/or resolving market access issues is difficult to define and measure. **These targets are solely dependent upon the ability of Canadian and foreign governments to negotiate protocols for accepting Canadian genetics. The viability of these activities is highly speculative and subject to sudden change.**
- The strategy addresses the need to re-build Canada's reputation as a leader in providing high-quality, safe, innovative agriculture and food products produced in an environmentally friendly manner. **This strategy addresses the need to restore the confidence that Canada held as a world leader in high quality genetics prior to May, 2003 by addressing a multitude of avenues for re-establishing contacts and presence within the purebred world context.**
- The strategy is based on demonstrated research and analysis of the demands of international markets. **Information documented by various sources including Agri-Food Trade Service and USDA FAS reports and the feedback received from associate members when encountering potential opportunities in foreign markets is a basis for the sector's analysis.**
- Various stakeholders are involved in the strategy at a range of levels. **Consultations are on-going at the international, federal, provincial and industry levels as to how to engage policy makers and utilize opportunities to proclaim the message of continued quality of purebred genetics.**
- The strategy improves the ability of association members to operate in international markets by providing a common focus on the need for restoration of markets and an avenue for united efforts on behalf of the purebred sector. **The strategy includes activities that involve participation by many of the members at the same event and level. Incoming missions of potential buyers of Canadian genetics to attend livestock shows such as Farmfair, Edmonton; Canadian Western Agribition, Regina; Royal Agricultural Winter Fair, Toronto; North American Beef Congress, London, and Calgary Exhibition and Stampede.**
- The strategy maximizes product value for Canada **by lobbying for re-access to markets the strategy aims to regain the market value of the Canadian genetics being promoted.**

B2. Implementation of the Strategy

- Canadian Beef Breeds Council's core activities, as currently planned include promotion

and activities focused in the following regions :

- 1) Africa- South Africa, Tunisia
No BSE-related restrictions apply to semen and embryos; however South Africa is currently banning imports of all other Canadian beef products. Tunisia did not impose any BSE-related measures against Canada, but there was no valid health certificate for breeding cattle in place prior to the discovery of BSE in Canada. On February 13, 2005, post was advised that the proposed health certificate had been improved and an official letter was sent through official channels confirming this on March 7, 2005. (Canadian Embassy, Tunis) Opportunities exist for market development in providing genetics for herd improvement.
- 2) Asia - China, Vietnam
Chinese officials initially placed a ban on cattle, embryos, semen beef and beef products (including tallow) and feed of animal origin. On October 14, 2004, Canada and China signed two protocols allowing for the importation of bovine semen and embryos from Canada. In order to fully restore trade in Canadian genetics, Chinese officials travelled to Canada to register Canadian genetic facilities for export of products to China, from November 27 to December 11, 2004. Following review of the results, China announced on January 17, 2005 the names of the Canadian facilities approved for export, effective immediately. Sales of semen and embryos have followed. (Source: Canadian Embassy, Beijing, updated Jan 20/05) As of June 27, 2005 Vietnam has agreed to reopen its borders to Canadian beef meat under thirty months. Vietnam and Canada continue discussions on access for live animals. Before June 2005, Vietnam banned imports of all forms of ruminants and ruminant products from Canada, semen, embryos and other products excluded.
- The current situation in China is evolving at a significant pace due to an increasing population base, higher affluence and demand for beef in the diet, and necessity for self-sufficiency in food production. Growing awareness at the various government levels for the need for purebred genetics to develop and improve the national herd is evidenced by the increased number of incoming delegations being hosted by Canadian Beef Breeds Council and its members. New technologies such as the emergence and gradual maturing of somatic cell cloning are being developed through funding and support of state projects as well as livestock companies. Initially these technologies would present an opportunity for supplying Canadian genetics but could potentially create major competition if these technologies are successful. The growing competitiveness in the marketplace needs careful consideration to position the Canadian edge to its highest advantage. Strong government reinforcement and promotion is being considered to strengthen the efforts being conducted in order to sufficiently capture the opportunities presenting themselves.
- 3) Eastern Europe: Kazakhstan, Russia and the Ukraine;
Russia announced on May 2004 the implementation of a ban on the import of beef and live cattle from any country where BSE cases had been registered. Despite the OIE decisions with respect to BSE and permitted products for international trade, Russia continues to enforce the ban. Ongoing concerns over smuggling and illegal imports of meats and offals

has led to the demand from Russian authorities for new forgery-proof certificates for meat and other animal products from many of Russia's trading partners. Canada (and other countries) is co-operating with Russian authorities with respect to improved certificates and to ensure trade is not interrupted. Canada has re-iterated its invitation for Russian veterinary authorities to visit Canada to review all aspects of its cattle and beef industry and has offered to send officials to Russia to improve relations and technical co-operation between the respective agencies. A thawing of relations seems to be occurring. Semen and embryo sales are ongoing. The State Inspector of Veterinary Medicine of Ukraine has notified the Canadian Embassy in Kiev that imports of Canadian live cattle, beef or beef products are still banned. However Ukraine now allows imports of Canadian milk, milk products, leather and raw materials, cattle embryos and semen. On November 14, 2005, a certificate for the export of breeding cattle under 30 months was negotiated. (Source: Canadian Embassy, Kiev, updated Jan 19/06)

Agriculture has officially become a "National Priority Project" as evidenced by an announcement by President Putin ordering significant increase in spending on Russia's domestic agriculture. The major thrusts of this initiative are revitalization of the livestock sector and expansion of rural credit, particularly for small holders. The three major thrusts of the project known as "Agroindustrial Complex Development" are 1) accelerated livestock sector development with government financing; 2) stimulation of smallholders with government financing; 3) provision of rural housing for young specialists working in rural areas and particularly for those engaged in production agriculture. The potential for opportunity for Canadian producers not only in supply of Canadian superior genetics but also in information training and technology. The expertise of Canadian producers and marketers is highly sought after as evidenced by an increased numbers of incoming delegations of government and industry leaders wishing to view and learn more about the Canadian purebred sector and how it operates. The objectives defined by the Russian government include: 1) increase marketing of products from private plots and private firms (smallholders) by 5 to 7 percent; 2) finance the sale through "leasing" (seller financing) 100,000 head of elite brood livestock; 3) further develop the existing 2,550 agricultural consumer cooperatives and create more. Canadian leaders in the purebred sector need to be prepared and ready to meet the opportunities as they become available.

- 4) Western Europe: EU25

The EU includes Austria, Belgium, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom. The existing BSE import requirements prohibit the export of live cattle from Canada and specify certain conditions for the export of beef and bison, such as the removal of specified risk materials. Exports of beef to the EU are currently not accepted because of the EU's prohibition on the use of hormonal growth promotants and a limited number of Canadian facilities that are EU-approved. **On February 10, 2006 a new certificate with respect to imports of in vivo derived embryos of domestic bovine was implemented.** Focus will be on Czech Republic, Germany, Greece, Poland, Sweden and the UK.

- British meat and livestock producers will be launching a concentrated effort to open new

markets and regain old ones across Europe this year as restrictions on British beef exports are due to be lifted. Three major exhibitions – In Poland, Romania and Germany will be the focus of attention for a promotional push coordinated by the Meat and Livestock Commission, Stands, which will represent the among others the British Livestock Genetics Consortium, plus individual breeding companies and livestock groups, will highlight all the best of British cattle sheet and pigs. “The expansion of the EU has given us a perfect opportunity to show the best of British produce and break into new markets.” Commented Jean-Pierre Garnier, MLC meat export manager. The challenge is for explore any opportunity to meet needs within this industry by raising awareness of the quality and availability of Canadian purebred genetics. Participation at livestock shows such as Royal Highland Show in Edinburgh, Scotland and the Royal Show in Stoneleigh, England will be avenues to present the Canadian message at the show and producer levels. Collaborated efforts with participants from the major livestock shows in Canada including Farmfair, Royal and Canadian Western Agribition and as well members of breed associations will be participating on joint ventures.

- 5) North America: United States and Mexico;
On January 4, 2005, USDA published the US BSE minimal risk rule in the Federal Register. The rule expands market access beyond boneless beef, which has been allowed into the US since summer 2003. The US BSE minimal risk rule was implemented on July 14, 2005, and permits the importation of certain live ruminants and ruminant products and by-products from Canada. All other products (including live ruminants of any age not for slaughter and older animals for slaughter) would not be permitted to enter the US. (Updated Aug 3/05) Lobbying for Rule 2 to include breeding cattle continues.

The following products may be exported to Mexico: bovine semen and embryos. SENASICA and CFIA have agreed on a sanitary protocol for exporting dairy breeding bovines to Mexico. However, this protocol can only be implemented once the US agrees not to lower Mexico's BSE status if it were to import dairy and beef breeding bovines from Canada. Similarly, the resumption of exports of Canadian breeding sheep to Mexico will also depend on an agreement with the US.

Major focus will be attending major livestock shows such as National Western Stock Show, Denver, Houston Livestock Show, Houston as well as high profile meetings such as Beef Improvement Federation and National Cattlemen's Beef Association meetings. Lobbying efforts at the federal government level will continue with possible opportunities to attend face to face meetings in Washington, DC. In Mexico, the focus will be on attendance at shows in Guadalajara and Chihuahua. The Ganaderos (Confederacion Nacional de Organizaciones Ganaderas) estimate that Mexico needs to increase its national herd from its present level of 21 million head to at least 28 million animals to satisfy domestic demand. Ongoing training and technical transfer missions will be conducted as a component of exports of semen and embryos.

- Planning will commence for the hosting of the Beef Improvement Federation's Conference to be held in Calgary, Alberta in 2008. A previously held conference held in Calgary in 1998 was extremely successful in bringing American producers and academia together to discuss the future of the purebred cattle industry and advances in genetic technology.

- Promotion materials will be produced and distributed and ads placed in American breed association magazines raising awareness for the need to proceed with the 2nd rule to including breeding cattle.
- 6) Latin America/South America: Argentina, Cuba, Brazil, Uruguay and Paraguay

On December 14, 2004, Cuba announced that it accepted Canadian beef and beef products from cattle of any age with minor exceptions such as mechanically separate meat, trimmings, and tissues derived from the head. Cuba also agreed to accept pet food that does not contain meat and bone meal of ruminant origin. On March 30, 2005, Cuba agreed to conditions for import of Canadian cattle, sheep and goats and bovine semen and embryos. On January 27, Cuba announced a suspension of beef products originating in Alberta. Negotiations are underway to resolve this situation. (Source: CFIA and Canadian Embassy, Havana, updated Jan27/06)

On May 24 and 30, 2005, CFIA was provided with a written confirmation from its Argentinian counterpart, SENASA, stating that they had accepted the proposed certificates for exports of bovine embryos and semen respectively. (Source: Canadian Embassy, Buenos Aires, May 30, 2005) In June 2003, Bolivia imposed restrictions on products and subproducts of bovine, ovine, caprine from Canada and the USA except for low risk products including semen. On September 13, 2004, the Andean Community (of which Bolivia is a member) added bovine embryos to the list of low risk products. On October 7, 2005, the Andean Community's COTASA technical committee tasked three of their own experts to begin a risk assessment to evaluate Canada's request for access for beef, beef products and cattle. After the experts will have reviewed pertinent documentation, a visit to Canada will be scheduled and recommendations will be presented to COTASA. On May 28, 2003, Brazil formally announced a ban on the entry into Brazil of ruminants, embryos and by-products from these species originating from Canada. Excluded from this prohibition is semen. Brazil is also conducting a trace-back on the 3,400 breeding animals imported from Canada over the past eight years. Brazilian Ministry of Agriculture approved Canada's embryo export certificate on August 6, 2004. (Source: Canadian Embassy, Brasilia, CFIA, updated Mar 17/05). In a May 23, 2003 resolution, Chile issued a complete ban on new shipments of imports of all bovines and bovine products from Canada. This included semen and embryos. On December 31, 2004, Chile lifted its restrictions on imports of bovine embryos collected in vivo according to the risk analysis recommended in the OIE Code. On September 13, 2004, the Andean Community (of which Columbia is a member) issued Resolution No. 847 which adds bovine embryos to the list of low risk products. However, authorities in Columbia had to issue their own Resolution in order to legalize this decision within their territory. In a letter dated May 19, 2005, ICA indicated that they have accepted the CFIA's health certificate for bovine embryos and noted that import permits can be requested at this time by local importers. On October 7, 2005, the Andean Community's COTASA technical committee tasked three of their own experts to begin a risk assessment to evaluate Canada's request for access for beef, beef products and cattle. After the experts will have reviewed pertinent documentation, a visit to Canada will be scheduled and recommendations will be presented to COTASA. Access for live cattle needs to be based on regional consideration by International Regional Office for

Agricultural and Livestock Health (OIRSA) Costa Rica permits imports of bovine semen and embryos. (Source: Canadian Embassy, San Jose, updated Oct 20/05) Milk, dairy products, bovine semen and embryos may be imported into Uruguay. For bovine semen and embryos, the following must also be certified: the donor, its descendants and parents are BSE-free; the donor has not been on a property that has presented any case of BSE during the last five years; and the donor has never been fed with proteins of animal origin. (Source: Canadian Embassy, Montevideo) Venezuela has not officially placed BSE-related measures against Canada. On January 12, 2004 the Venezuelan Ministry of Agriculture and Lands issued an official notification banning the importation from the United States of live animals, products and by products of the following species: bovines, caprine, ovine and bubaline. No other comment or resolution has been issued by MAT-SASA. Although Canada was not names in this notification, when questioned whether Canadian beef products are allowed in Venezuela, officials state that the above mentioned notification applies to all countries that have identified a case of BSE. On September 13, 2004, the Andean Community of which Venezuela is a member) issued Resolution No. 847 which adds bovine embryos to the list of low risk products. However, authorities in Venezuela still have to issue their own Resolution in order to legalize this decision within their territory. On October 7, 2005, the Andean Community's COTASA technical committee tasked three of their own experts to begin a risk assessment to evaluate Canada's request for access for beef, beef products and cattle. After the experts will have reviewed pertinent documentation, a visit to Canada will be scheduled and recommendations will be presented to COTASA. (Source: Canadian Embassy, Caracas and Bogota, Updated Oct 20/05)

Outgoing missions will be conducted as follows:

- participation in FIHAV Trade Show in Havana, Cuba and Tropical Livestock Congress which CBBC supported last year by way of trade booth participation as well as speakers;
- attendance at livestock shows such as Feicorte, in Sao Paolo and Expointer, in Porto Alegre, Brazil is valuable in increasing exposure of the awareness of Canadian genetics through presentations and speaking engagements, and meetings with embassy staff;
- attendance at Expo Prado, Montevideo, Uruguay will be a new initiative and will also involve a number of the member organizations at a guest speaker level. Uruguay's beef exports for 2006 are expected to increase to 470,000 MT due to stronger demand from export markets, especially the United States. Cattle exports for 2006 are expected to increase due to imports by non-traditional markets, such as Jordan and Tunisia, although domestic cattle prices remain high. Cattle stocks are forecast to remain relatively stable but the growing interest in Canadian genetics by the livestock sector by way of incoming delegates attending Canadian livestock shows such as Canadian Western Agribition have raised the level of awareness for upgrading herds. Although no missions have been indicated for Paraguay, efforts will be encouraged with respect to lobbying for market access for semen and embryos.

- 7) Oceania: Australia and New Zealand
Australia bans imports of beef and beef products from Canada. Canada clarified that the ban does not cover semen, embryos and dairy products. (Source: Canadian High Commission, Canberra and Department of Agriculture, Forestry and Fisheries Australia

(AFFA). New Zealand initially placed a ban on bovine products coming directly from Canada or via third countries. This included live and processed beef, bovine and calf serum. However, milk products, embryos and semen were not affected by the initial ban. On April 1, 2005, the New Zealand authorities informed Canada that they consider Canada's BSE control measures equivalent to New Zealand's. Effective July 8, 2005, New Zealand lifted its BSE-related restrictions on Canadian beef. (Source: Canadian High Commission, Wellington, July 05).

Australian livestock industries have experienced relatively extreme conditions over the past three years. Severe drought conditions have sharply reduced feed grain and fodder supplies and created downward pressure on inventories. More recently, heaving soaking rains in many of the livestock producing and feed grain growing areas have seen pasture conditions and fodder reserves improve greatly. Exports of Australian beef are forecast to remain at historically high levels as export demand maintains its strength. The Australian Beef Cattle Industry and Federal Government have increased the check off levy to \$5.00 per head, thus doubling the availability of funds for promotion of Australian cattle and hence the livestock industry both domestically and internationally. In addition, Australia has begun its role out of the National Livestock Identification Scheme, thus increasing the traceability and resultant value for export markets..

Participation at major livestock shows such as Sydney Royal Easter Show, Sydney and Rockhampton, Australia are valuable opportunities to interact with key players in the Australian livestock industry and reinforce the availability of quality Canadian genetics.

- Activities made possible by the CAFI Program are identified in more detail in Appendix A and B. These include the following:
- 1) Attendance at international livestock shows including National Western Stock Show, Houston Livestock Show, in the United States, Royal Highland and Royal UK Shows in the United Kingdom, Feicorte, and Expointer in Brazil, Expo Prado in Uruguay, and the Sydney Royal and Rockhampton Shows in Australia. International Exhibitions are also important as visitors attend from many other jurisdictions and are important contacts;
- 2) Hosting of international guests at livestock events within Canada such as Farmfair, Canadian Western Agribition, Royal Winter Fair and North American Beef Congress;
- 3) Conducting of training programs such as embryo transfer to facilitate increased awareness and usage of Canadian genetics;
- Promotional materials to showcase the attributes of the various purebred breeds within the sector;
- Development of branded programs to promote purebred genetics;
- Development of promotional materials to illustrate visually the quality of purebred genetics;
- Planning of the upcoming Beef Improvement Federation Conference in Calgary, in 2008 to be hosted by Canadian Beef Breeds Council.
- This strategy is at a stage within an existing long term strategy to address some crises which were not anticipated and which commands a total re-focus and re-evaluation of the direction and purpose of each activity within the context of restoration of trade.
- **CAFI Program funds are required for long-term as the likelihood that markets will be regained in the short-term does not appear promising. The process of negotiation in each particular market tends to exceed expectations as to length of time and**

following that the steps to actually finalize a contract are tedious and cumbersome.

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B4. Resource Implications

Show in the table below how the association proposes to fund the overall strategy.

<i>Source</i>	<i>2006-2007</i>
1. AAFC / CAFI Program	\$700,000
2. Provincial Government (Specify) *	\$ 125,000
3. Canadian Beef & Cattle Market Development Fund	\$ 696,191
4. Industry-Membership Dues	\$ 111,000
5. Total	\$1,632,191
7. Projected Expenditures	\$1,632,191
8. Projected Deficit	\$ 0

*The Province of Alberta has issued a Market Access and Advocacy Grant for a three year term at \$125,000 per year to assist with promotional items and domestic travel. These items are not included in the CAFI Strategy and some are nearing completion.

C. The Association's Capabilities and Past Performance

This section addresses the industry association's structure, its ability to assess and initiate the proposed strategy, and reviews past use of Long-Term International Strategies funding.

C1. Outline of the Organization

- Membership in the Canadian Beef Breeds Council is open to national beef breed associations that hold standing under the *Animal Pedigree Act*. In addition, associate membership is open to exporters and other corporate entities, organizations and institutions.
- Members have given CBBC the mandate to identify, develop and serve international markets for beef cattle genetics.
- Services provided by Canadian Beef Breeds Council range from representation and promotion, collecting and assembling industry data, providing current updates and information on various issues that impact the sector, and lobbying efforts at a multitude of levels, including government and industry. Point of contact for Canadian Industry, Government of Canada and other international organizations.

C2. Experience and Capabilities

- The association's experience and capabilities in the export field have expanded incrementally since its federal incorporation in 1994. The collaborative efforts of its 16 breed association members and eight associate members have resulted in combined and coordinated efforts to achieve the common goals of international market development.

C3. Previous Funding Under the CAFI Program and Results Achieved

- The following chart identifies the utilization of CAFI funds over the previous three years. Percentage variations are a direct result of lack of opportunity in all international markets as a result of closure due to BSE.

Utilization of CAFI Funds			
Fiscal Year	Approved CAFI Funding	Actual Expenditures	%
Current Year (CAFI 2005-2006)	\$ 975,000	\$ 875,000	90%
Previous Year (CAFI 2004-2005)	\$ 975,000	\$ 675,000	70%
Second Previous Year (CAFI 2003-2004)	\$ 645,000	\$ 645,000	100%
Total	\$2,595,000	\$2,195,000	87%

- The results that have been achieved over the last three years (i.e trade/export performance) include:
 - -re-access in **fifty seven** countries for embryos and semen
 - -re-access to China for embryos and semen
 - -re-access to Cuba for breeding cattle, embryos and semen
 - -extensive lobbying efforts put forward during various missions conducted with Minister of Agriculture and others in Washington were focused on inclusion of breeding cattle in the 2nd Rule (US). We have received assurances that every effort is being made to see this through.
 - -recent sale of 3500 embryos to Russia as a continuation of generic market development activities in Eastern Europe; See also Export Livestock Genetics summary attached.
 - -opportunity to host Beef Improvement Federation Conference in 2008
 - -See BSE Table attached.
 - Overall results are directly attributable to Long-Term International Strategies funding. **Note that funds were 100% utilized in 2003-2004.**

D. The Strategy's Expected Impact and Performance Measurement

D1.	Measurement of the Strategy's Impacts
	<ul style="list-style-type: none"> • Trackable indicators used to measure performance are: <ol style="list-style-type: none"> 1) Re-awareness by the Canadian cattle industry of the value and contribution of purebred cattle genetics; 2) Re-awareness by the international cattle community of the superior quality of Canadian genetics; 3) Re-access to closed markets through lobbying efforts at all levels; 4) Increased investment within the purebred sector; 5) Increased volumes of sales; 6) Increased sale prices; 6) Change in market share as a supplier of genetics; 7) Increased production of purebred cattle; 8) Increased registration of purebred cattle; 9) Increased membership of breed associations in CBBC; 10) Increased demand for information and promotional materials for distribution internationally; 11) Increased participation by members in international activities and outgoing missions; 12) Increased participation through members by way of conducting inbound missions of international guests; 13) Increase in number of requests to participate in international events 14) Increase in world-wide demand for Canadian genetics. • Expected results over the next year: <ol style="list-style-type: none"> 1) Re-access to United States for breeding cattle; 2) Regain market share to pre BSE volume and value; • Anticipated results over the full three-five years of the strategy • Export or trade targets <ol style="list-style-type: none"> 1) access to all remaining countries for breeding cattle; 2) access to all remaining countries for semen and embryos;

CAFI ACTIVITY SUMMARY 2006-7 BY REGION

REGION	TARGET MARKET COUNTRY	ACTIVITY TYPE OUT/INBOUND TRAIN/PROMO	ACTIVITY DATE	ACTIVITY	TOTAL COST 100%	CAFI REQUEST 75%	PER CENT TOTAL	PERFORMANCE INDICATORS
Asia	China	Inbound	Apr-06	Beef embryo production training	\$ 46,400.00	\$ 17,400.00		Request for follow up
Asia	China	Inbound	Sep-06	Technician Training	\$ 37,200.00	\$ 13,950.00		Advancement of technical knowledge
Asia	China	Inbound	Nov-06	Embryo Production Technician	\$ 48,500.00	\$ 18,187.50		Raised level of expertise
Asia	China	Inbound	May-06	Embryo Implantation training	\$ 26,700.00	\$ 10,012.50		Increased investment by China govt
Asia	China	Inbound	Various	Educational tours	\$ 93,600.00	\$ 35,100.00		Enhanced awareness of Cdn genetics
Asia	China	Outbound	?	Additional promo efforts	\$ 5,000.00	\$ 1,875.00		Enhanced awareness of Cdn genetics
Asia	China	Outbound	Apr-06	Attend Ag Exposition-Beijing	\$ 14,500.00	\$ 5,437.50		Increased capacity to export
Asia	China	Outbound	May-06	Market identification/development	\$ 12,000.00	\$ 4,500.00		Change in market share
Asia	China	Outbound	Aug-06	Livestock Specialist Training	\$ 12,000.00	\$ 4,500.00		Recognition of Cdn expertise
Asia	China	Outbound	Sep-06	Market identification/development	\$ 12,000.00	\$ 4,500.00		Increased # of new markets
Asia	China	Outbound	Feb-07	Market identification/development	\$ 12,000.00	\$ 4,500.00		Increased distributor networks
Asia	China	Outbound	Various	Market Development	\$ 100,000.00	\$ 37,500.00		Opportunities for sales identified
Asia	China	Outbound	Various	Meetings with Ag Officials	\$ 10,000.00	\$ 3,750.00		Movement towards signed protocol
Asia	China	Outgoing	Various	Explore opportunities re genetics	\$ 33,500.00	\$ 12,562.50		Information shared with industry
Asia	China	Outgoing	Jun-06	Promote Canadian genetics	\$ 5,000.00	\$ 1,875.00		Increased requests for training
Asia	China	Outgoing	Apr-06	Increase use of Cdn genetics	\$ 10,000.00	\$ 3,750.00		Increased sales
Asia	Japan	Outbound	?	Meet with key contacts	\$ 4,000.00	\$ 1,500.00		Positive feedback
Asia	Middle East	Outbound	Various	Meetings with trade interests	\$ 22,400.00	\$ 8,400.00		Requests for opportunities to visit
Asia	Middle East	Inbound	Various	Showcase quality of genetics	\$ 19,500.00	\$ 7,312.50		Requests for more information
Asia	Thailand	Outbound	Various	Source verification protocols	\$ 46,800.00	\$ 17,550.00		New product development
Asia	Vietnam	Outbound	Apr-06	Market identification/development	\$ 11,000.00	\$ 4,125.00		Requests for repeat meetings
					\$ 582,100.00	\$ 218,287.50	21.83%	
E. Europe	Kazakhstan	Outbound	Apr-06	Information tour	\$ 64,900.00	\$ 24,337.50		Enhanced awareness of Cdn genetics
E. Europe	Russia	Inbound	Jun-06	Tours of breeding enterprises	\$ 26,000.00	\$ 9,750.00		Raised level of awareness
E. Europe	Russia	Inbound	May-06	Training in embryo transfer	\$ 27,200.00	\$ 10,200.00		Increased investment by govt
E. Europe	Russia	Inbound	Nov-06	Attend Agribition & ranch tours	\$ 28,500.00	\$ 10,687.50		Requests for repeat meetings
E. Europe	Russia	Inbound	Jun-06	Intensive Embryo Transfer Course	\$ 23,600.00	\$ 8,850.00		Opportunities for sales identified
E. Europe	Russia	Outbound	?	Follow up mission with Alta Ex	\$ 10,000.00	\$ 3,750.00		Increased distributor networks
E. Europe	Russia	Outbound		Promote semen and embryos	\$ 9,000.00	\$ 3,375.00		Increased sales
E. Europe	Russia	Outbound	Apr-06	Tours of breeding enterprises	\$ 16,400.00	\$ 6,150.00		Requests for training/expertise
E. Europe	Russia	Outbound	May-06	After Sales Training Mission	\$ 15,300.00	\$ 5,737.50		Increased government assistance
E. Europe	Russia	Outbound	Jun-06	Embryo Transfer Technology	\$ 15,300.00	\$ 5,737.50		Raised level of expertise
E. Europe	Russia	Outbound	Jul-06	Recipient management training	\$ 15,300.00	\$ 5,737.50		Production levels improved

E. Europe	Russia	Outbound	Aug-06	Embryo Transfer Technology	\$ 15,300.00	\$ 5,737.50	Herd improvement
E. Europe	Russia	Outbound	Jun-06	Follow-up Mission	\$ 10,000.00	\$ 3,750.00	Increased distributor networks
E. Europe	Russia	Outbound	Feb-07	Follow-up mission re embryos	\$ 10,000.00	\$ 3,750.00	Information shared with industry
E. Europe	Russia	Outbound		Meetings with Ag Officials	\$ 20,000.00	\$ 7,500.00	Requests for more information
E. Europe	Russia	Outgoing	Jun-06	Training Mission	\$ 9,600.00	\$ 3,600.00	Movement towards signed protocol
E. Europe	Ukraine	Inbound	Jul-06	Tour industry	\$ 46,800.00	\$ 17,550.00	Increased sales
E. Europe	Ukraine	Outgoing	Various	Explore opportunities re genetics	\$ 11,200.00	\$ 4,200.00	Increased requests for training
					\$ 374,400.00	\$ 140,400.00	14.04%
L. America	Costa Rica	Inbound	Jul-06	World Simmental Congress	\$ 15,000.00	\$ 5,625.00	Requests for opportunities to visit
L. America	Cuba	Outbound	?	Additional promo efforts	\$ 5,000.00	\$ 1,875.00	Increased sales
L. America	Cuba	Outbound	Jan-07	Promote Canadian genetics	\$ 4,000.00	\$ 1,500.00	Requests for training/expertise
L. America	Cuba	Outbound		Market Development	\$ 10,000.00	\$ 3,750.00	Increased government assistance
					\$ 34,000.00	\$ 12,750.00	1%
N. America	Mexico	Inbound	Nov-06	Attend RWF, Farmfair & CWA	\$ 10,000.00	\$ 3,750.00	Increased requests for training
N. America	Mexico	Inbound	Jul-06	Attend Calgary Stampede/tours	\$ 16,500.00	\$ 6,187.50	Raised level of awareness
N. America	Mexico	Inbound	Nov-06	Attend Agribition	\$ 14,800.00	\$ 5,550.00	Requests for repeat meetings
N. America	Mexico	Outbound		Attend Expo Ganadero	\$ 9,600.00	\$ 3,600.00	Increased distributor networks
N. America	Mexico	Outbound	May-06	Promote World Charolais Congress	\$ 5,000.00	\$ 1,875.00	Increased investment by govt
N. America	Mexico	Outbound	Oct-06	Attend Chihuahua Show	\$ 7,100.00	\$ 2,662.50	Information shared with industry
N. America	Mexico	Outbound	?	Meet with key contacts	\$ 4,000.00	\$ 1,500.00	Requests for opportunities to visit
N. America	Mexico	Outbound	Dec-06	Farm and ranch tours	\$ 22,500.00	\$ 8,437.50	Production levels improved
N. America	Mexico	Outbound	May-06	Attend Livestock Show	\$ 6,300.00	\$ 2,362.50	Herd improvement
N. America	Mexico	Outbound	Oct-06	Attend Guadalajara Show	\$ 7,650.00	\$ 2,868.75	Increased distributor networks
N. America	Mexico	Outbound	Dec-06	Attend Queretaro	\$ 5,310.00	\$ 1,991.25	Increased investment by govt
N. America	Mexico	Outbound	Sep-06	Re-establish relations	\$ 4,400.00	\$ 1,650.00	Enhanced awareness of Cdn genetics
N. America	Mexico	Outbound		Market Development	\$ 12,000.00	\$ 4,500.00	Requests for opportunities to visit
N. America	Mexico	Outgoing	Dec-06	Promote Canadian genetics	\$ 4,000.00	\$ 1,500.00	Increased sales
					\$ 129,160.00	\$ 48,435.00	
N. America	USA	Inbound	?	Guest Speaker for National Show	\$ 7,500.00	\$ 2,812.50	Herd improvement
N. America	USA	Outbound	Apr-06	BIF Convention	\$ 6,000.00	\$ 2,250.00	Raised level of expertise
N. America	USA	Outbound	Sep-06	Meetings with US Cattlemen	\$ 12,000.00	\$ 4,500.00	Production levels improved
N. America	USA	Outbound	?	?	\$ 2,500.00	\$ 937.50	Raised level of awareness
N. America	USA	Outbound	Oct-06	Attend NILE show in Billings	\$ 3,000.00	\$ 1,125.00	Requests for repeat meetings
N. America	USA	Outbound	Jan-07	Attend National Western Show	\$ 3,000.00	\$ 1,125.00	Opportunities for sales identified
N. America	USA	Outbound	Jan-07	Attend National Western Show	\$ 41,000.00	\$ 15,375.00	Enhanced awareness of Cdn genetics
N. America	USA	Outbound	Jan-07	Attend National Western Show	\$ 2,000.00	\$ 750.00	Increased sales
N. America	USA	Outbound	?	Meet with key contacts	\$ 7,000.00	\$ 2,625.00	Movement towards signed protocol
N. America	USA	Outbound	Jan-07	Attend National Western Show	\$ 10,000.00	\$ 3,750.00	Requests for more information
N. America	USA	Outbound	Jan-07	Attend National Western Show	\$ 2,000.00	\$ 750.00	Improved communication with US prod

N. America	USA	Outbound	Mar-07	Houston Livestock Show	\$ 2,000.00	\$ 750.00	Increased sales
N. America	USA	Outbound	?	Attend ASA meetings	\$ 5,000.00	\$ 1,875.00	Requests for training/expertise
N. America	USA	Outbound	Jan-07	Attend National Western Show	\$ 6,000.00	\$ 2,250.00	Increased government assistance
N. America	USA	Outbound	Apr-06	Attend BIF Convention	\$ 7,500.00	\$ 2,812.50	Raised level of expertise
N. America	USA	Outbound	Apr-06	Market Canadian genetics	\$ 3,600.00	\$ 1,350.00	Opportunities for sales identified
N. America	USA	Outbound	May-06	Promote World Simmental Cong	\$ 2,600.00	\$ 975.00	Information shared with industry
N. America	USA	Outbound	Jan-07	National Western Stock Show	\$ 2,500.00	\$ 937.50	Increased requests for training
N. America	USA	Outgoing	Apr-06	Farm visits	\$ 10,000.00	\$ 3,750.00	Movement towards signed protocol
					\$ 135,200.00	\$ 50,700.00	5.07%
Oceania	Australia	Inbound	Nov-06	Attend RWF, Farmfair & CWA	\$ 34,900.00	\$ 13,087.50	Enhanced awareness of Cdn genetics
Oceania	Australia	Inbound	Nov-06	Delegation seeking genetics	\$ 19,500.00	\$ 7,312.50	Movement towards signed protocol
Oceania	Australia	Outbound	Apr-06	Promote World Charolais Congress	\$ 15,000.00	\$ 5,625.00	Requests for more information
Oceania	Australia	Outbound	May-06	Attend Rockhampton Show	\$ 20,000.00	\$ 7,500.00	Confirmations of Congress participation
Oceania	Australia	Outbound	May-06	Wodonga Hereford Show	\$ 39,400.00	\$ 14,775.00	Opportunities for sales identified
Oceania	Australia	Outbound	Apr-06	International Limousin Congress	\$ 10,000.00	\$ 3,750.00	Increased requests for training
Oceania	Australia	Outbound	Apr-06	Sydney Easter Show	\$ 10,000.00	\$ 3,750.00	Commitments to attend Cdn shows
Oceania	Australia	Outbound	Jul-06	Promote semen and embryos	\$ 5,600.00	\$ 2,100.00	Increased sales
Oceania	Australia	Outbound	Apr-06	World Limousin Congress	\$ 10,000.00	\$ 3,750.00	Requests for opportunities to visit
Oceania	N Zealand	Inbound	Nov-06	Attend RWF, Farmfair & CWA	\$ 18,100.00	\$ 6,787.50	Information shared with industry
Oceania	N Zealand	Outbound	May-06	Palmerston Show	\$ 15,000.00	\$ 5,625.00	Invitations extended to visit Canada
					\$ 197,500.00	\$ 74,062.50	7.41%
S. America	?	Inbound	?	Additional promo efforts	\$ 5,000.00	\$ 1,875.00	Confirmations of Congress participation
S. America	Argentina	Inbound	Nov-06	Agribition	\$ 24,000.00	\$ 9,000.00	Invitations extended to visit Canada
S. America	Argentina	Inbound	Aug-06	Working with CFIA re embryos	\$ 8,000.00	\$ 3,000.00	Requests for more information
S. America	Argentina	Inbound	Nov-06	Farmfair/Agribition	\$ 10,000.00	\$ 3,750.00	Increased acces to markets
S. America	Brazil	Inbound	Nov-06	Attend RWF, Farmfair & CWA	\$ 1,000.00	\$ 375.00	Enhanced awareness of Cdn genetics
S. America	Brazil	Outbound	?	Promote genetics	\$ 10,000.00	\$ 3,750.00	Increased requests for training
S. America	Brazil	Outbound	Jun-06	Attend Feicorte Show	\$ 7,000.00	\$ 2,625.00	Movement towards signed protocol
S. America	Brazil	Outbound	Aug-06	Attend Exponiter	\$ 6,000.00	\$ 2,250.00	Requests for opportunities to visit
S. America	Brazil	Outbound	Jun-06	Feicorte/Market Development	\$ 10,000.00	\$ 3,750.00	Commitments to attend Cdn shows
S. America	Brazil	Outbound	Aug-06	Exponiter	\$ 5,000.00	\$ 1,875.00	Increased sales
S. America	Brazil	Outbound	Jun-06	Feicorte, Exponiter	\$ 20,000.00	\$ 7,500.00	Requests for speaking engagements
S. America	Columbia	Inbound	Jul-06	Attend Calgary Stampede/tours	\$ 8,000.00	\$ 3,000.00	Commitments to attend Cdn shows
S. America	Columbia	Outbound	Jul-06	Prepare for AgroExpo 2007	\$ 12,500.00	\$ 4,687.50	Information shared with industry
S. America	Columbia	Inbound	Nov-06	Attend Agribition	\$ 12,000.00	\$ 4,500.00	Enhanced awareness of Cdn genetics
S. America	Columbia	Inbound	Jul-06	Veterinarians viewing cattle	\$ 12,000.00	\$ 4,500.00	Movement towards signed protocol
S. America	Uruguay	Outbound	Sep-06	Attend Expo Prado	\$ 18,200.00	\$ 6,825.00	Opportunities for sales identified
S. America	Uruguay	Inbound	Nov-06	Attend RWF, Farmfair & CWA	\$ 28,700.00	\$ 10,762.50	Information shared with industry
S. America	Uruguay	Outbound	Sep-06	Attend Expo Prado	\$ 5,000.00	\$ 1,875.00	Increased sales
S. America	Uruguay	Outbound	Jul-06	Research needs for genetics	\$ 11,600.00	\$ 4,350.00	Increased requests for training

