



Monthly Report

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Standing committee studying the red meat sector

Since February, the House of Commons Standing Committee on Agriculture and Agri-food (SCAAF) has been holding a series of hearings to study the situation in the red meat sector. The CCA commends the SCAAF for undertaking this important work for an industry that has been in crisis for such a long time.

SCAAF has heard from cattle and hog producers across the country. The CCA presented, as have provincial cattle associations from PEI, Nova Scotia, Quebec and Ontario.

These hearings have been a good opportunity for Members of Parliament (MPs) to hear from industry on a variety of issues, including:

- Sustained and increased efforts from the Government of Canada to get export markets open for us
- Improvement upon the regulatory structure that is impeding our industry's competitiveness
- Improving the current suite of Business Risk Management Programs to ensure that assistance at a national level is there when cattle producers need it

If they do these things, cattle producers will be able to get their fair share of the dollars that consumers spend on beef.

As we see cattle prices moving in a positive direction this spring, we hope that SCAAF will complete its study and produce recommendations aimed at creating a business environment in which Canadian cattle producers can operate with confidence in the long term.

Progress continues on beef exports to Hong Kong

The agreement reached with Hong Kong, in January, to expand imports of Canadian beef is a three-phase arrangement aimed for completion by the end of 2009.

The first phase involved a four-month period in which Hong Kong would accept certain bone-in, under-30-month beef products. The CCA is very pleased that shipments under the first phase have proceeded as planned and have been well received in Hong Kong.

The stage is now set for the second phase to soon be implemented - which would further open Hong Kong to accept certain beef products from cattle over-30-months.

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Saudi and Jordan borders opened for Canadian beef

The momentum gained with an agreement, in-principle, to gradually open the Hong Kong border to Canadian beef continued from January as the borders to Saudi Arabia and Jordan also opened.

In early February, the Government of Canada secured full market access for Canadian beef and cattle exports into Jordan. Opening the border was a positive step for both countries and shows Jordan's recognition of the high quality inherent to Canadian beef. Although Jordan is one of Canada's smaller markets, this incremental change is good news nonetheless. It also demonstrates Jordan's leadership to other countries that full access needs to be based on scientific grounds - specifically Canada's "controlled-risk status" with the World Animal Health Organization (OIE).

The estimated value of Canadian beef exports into Jordan nears \$1 million.

And in mid-February, Saudi Arabia struck an agreement with Canada to re-open markets for boneless beef exports from cattle under-thirty months (UTM). Canada and Saudi Arabia continue extensive talks aimed at achieving full market access and once achieved, annual export levels could near \$6 million and beyond.

Access to Saudi Arabia establishes a noteworthy in-road to the Middle Eastern market - coupled with the recent Jordanian agreement. Developing Middle Eastern markets requires a long-term investment. Despite the previous modest size of these markets, projections indicate that their existing demand for high-quality Canadian beef is growing.

With the recent openings, the federal government gained significant momentum - now that momentum and precedence needs to be applied to bigger markets, with key priority being focused on progress in Asia. These border openings send a strong message to the rest of the global community that commercially-meaningful access should be restored to Canada, based on OIE's scientific guidelines.

These agreements further illustrate the effectiveness of key recommendations, adopted by

the federal government, from a comprehensive market access strategy developed by the CCA and its industry partners.

For more information on the Saudi Arabia and Jordan trade agreements, other major trade initiatives, plus the export-market access strategy laid out in the "Enhanced Market Access Recommendations", visit www.cattle.ca.

Introducing BIXS

The newly named Beef InfoXchange System (BIXS), under the Canadian Beef Advantage (CBA) pilot phase at this time, is a voluntary national cattle and carcass information exchange system based on individual animal RFID tag identifiers. It is a stand-alone secure database and information analysis program.

The BIXS is a tool within the overall CBA program that will improve communications and information sharing across the beef chain. It will foster an environment where beef cow-calf and feedlot producers and packer/processors can establish business relationships and improve their operational efficiencies and profitability as well as overall beef product quality – all thanks to better, more accurate individual animal/carcass information flow up and down the chain.

In time, the BIXS will provide the mechanism to validate specific brand attributes or claims including, but not limited to, age and source verification, Verified Beef Production, environmental stewardship, and animal care practices.

BIC makes eighth appearance at AMI convention

The Beef Information Centre (BIC) met with meat professionals from throughout North America last week at the American Meat Institute (AMI) Annual Meat Conference in Denver, Colorado.

The annual conference, the largest of its kind in the United States, is geared to large retailers, processors and distributors that are seeking information on trends and consumer insights to the meat category. In addition, all major U.S. packers attended the conference, which this year saw

approximately 900 attendees.

This is BIC's eighth appearance at AMI's annual conference. At this year's event, the key objective was to communicate the Canadian Beef Advantage. At their booth, BIC included a meat case displaying Canadian beef along with a carving station sampling roasted Canada AAA rib eye.

In addition, BIC ran a five-minute video presentation that outlines the Partners Program and how the program can enhance sales through strategic incorporation of Canadian beef content. The video, entitled '*Partner In Action*', gives viewers a good idea of services available through BIC's market development programs.

According to Marty Carpenter, BIC's director of market development, in addition to the approximately 600 delegates who visited the tasting station, BIC was able to interact one-on-one with at least 25 clients who were interested in further discussions around Canadian beef.

"We were able to answer numerous questions relating to COOL, and we re-established contacts with many major clients, such as Wal-Mart and Unified Grocers of Southern California," he said.

"This event is one in which we show a strong presence, and where we look to start productive and informative conversations that in the past have led to 'Partners Program' projects that work to increase the value and volume of Canadian beef."