



**CANADIAN
CATTLEMEN'S
ASSOCIATION**

National Voice Of Cattle Producers

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April 21, 2020

The Honourable Chrystia Freeland
Deputy Prime Minister of Canada
Sent via email: Chrystia.Freeland@parl.gc.ca

The Honourable Marie-Claude Bibeau
Minister of Agriculture and Agri-Food
Sent via email: Marie-Claude.Bibeau@parl.gc.ca

RE: Canadian Beef Farmers and Ranchers in Critical Situation, Requesting Urgent Action

Dear Deputy Prime Minister Freeland and Minister Bibeau,

We are writing to inform you of the critical situation that is currently being faced by Canada's beef farmers and ranchers due to the COVID-19 pandemic and request your assistance in attaining federal and provincial alignment and implementation of our recommendations to address the situation. The Canadian Cattlemen's Association strongly believes that if current challenges are strategically addressed, the Canadian beef industry will emerge as a key recovery sector post COVID-19. However, to date, current tools announced by the federal government in response to COVID-19 and the current suite of business risk management program are clearly insufficient to address the enormous market losses that are impacting Canadian cattle producers.

Challenges brought forward by COVID-19 have resulted in a number of Canadian and American meat processing facilities significantly reducing their processing capacity. For primary producers this has resulted in severe market volatility, limited options on when and where cattle can be marketed and increased costs to keeping cattle on farm. Every effort should be undertaken to assist in quickly restoring harvest and processing capacity and to ensure business continuity.

Already we have seen the value of a single market ready beef animal drop 30 per cent or over \$500 CDN for the week of April 12th, 2020. Without some intervention, we estimate that losses will grow by an additional \$500 million by the end of June. This will have impacts not only for the 60,000 producers but for the 225,000 other Canadians whose livelihoods depend on the primary beef industry. With such stark losses one cannot help but relate this to the hard times of BSE which resulted in Canada losing 26,917 beef operations and the related loss of five million acres of Canada's endangered Northern Great Plains, one of Canada's most at risk ecosystems.

The time to invest in Canada's beef industry is now, market stability enables sound business decisions and investments to continue to be made across our sector. The proactive strategic assistance to the beef industry will help avoid costly payouts from the AgriStability program that is helpful for addressing losses but is more reactive in nature.

At the onset of COVID-19 we recommended to the Government of Canada that if such a situation of processing shortage arise, we immediately implement the set aside program that was developed during the BSE years. This proven program supported market stability by slowing down the supply chain and aligning market ready cattle with processing capacity. The key, is to ensure a set aside program would be implemented swiftly, to avoid market instability that we saw during BSE.

We also recommended addressing the sky high premiums that have made our main risk management tool, price insurance, unusable, making the tool available in the Atlantic provinces and adding flexibility to the Advanced Payment Program that will provide added liquidity and flexibility for cattle producers to market their commodity at the best time and actually make reinvestments in their herd.

We would like to emphasize that the beef industry can be a growth industry for the Canadian economy as we emerge from the COVID-19 pandemic. We have robust international market access and our Canadian product is in high demand. However, if beef producers aren't able to make sound business decisions due to market volatility, the beef industry will emerge from COVID-19 in difficult shape just as many other Canadian businesses.

We have solutions to restore predictability to the Canadian beef industry, solutions that have been proven to work and will enable the beef industry to continue to be a growth sector of the Canadian economy.

The CCA stands ready to continue our collaboration with government to support continued stability within the food system and work towards high-impact solutions for Canada's economy. Should you have any questions, please do not hesitate to reach out to Fawn Jackson, Senior Manager Government and International Relations, at jacksonf@cattle.ca.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Bob Lowe', with a horizontal line extending to the right.

Bob Lowe
President

Beef production spans all provinces, is Canada's largest agriculture commodity contributing 17 billion to the Canadian economy and is the primary source of 228,000 jobs nationally.