



# BUILDING CETA Momentum MARKET ACCESS TRADE LIBERALIZATION

## New Directions

The Canadian Cattlemen's Association (CCA) played a big role in the significant progress in market access and trade liberalization achieved in 2013. Breakthrough agreements with China and Japan reached early in the year set the tone for what would be a truly remarkable 2013, with an agreement in principle for a Comprehensive Economic and Trade Agreement (CETA) reached in the fall.

Photo at right: (L-R) CCA officer Dan Darling, President Martin Unrau, International Trade Minister Ed Fast, CCA's John Masswohl and Dennis Laycraft at the tabling of the CETA technical summary document in the House of Commons.  
Photo credit: Government of Canada.



Photo above: CCA President Martin Unrau joined Agriculture Minister Gerry Ritz in Asia to promote Canadian beef.  
Photo credit: Canada Beef Inc.

Landmark trade deals represent one aspect of how the CCA works to ensure long-term industry competitiveness. Considerable headway was made in addressing industry sustainability, with the CCA spearheading the Canadian Roundtable for Sustainable Beef. The CCA's push for a national price insurance program resulted in the announcement of a Western Livestock Price Insurance Program in early 2014. This four-year pilot is a step in the right direction and an example of the type of business risk management tools that need to be available to Canadian producers. The net result of these and other achievements of the CCA is that they all tie together to incrementally improve the regulatory environment that producers operate in, enabling them to take advantage of current market signals.

In 2013, lower feed grain prices and depreciation of the dollar along with a further tightening of supplies resulted in record high cattle prices being reached in the fourth quarter. As we move into 2014 prices have moved higher yet. However, this is currently being offset to a degree as the impact of U.S. mandatory Country of Origin Labeling (COOL) widens the basis. Moving forward, the CCA will continue to work with the Government of Canada to aggressively challenge COOL's discriminatory trade practices at the World Trade Organization. Internationally, demand remains firm in Asia as 2014 shapes up to be an interesting year.





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# board of directors

## 2013 Board of Directors

*From left to right:*  
President, Martin Unrau, Manitoba  
Past President, Travis Toews, Alberta  
Vice President, Dave Solverson, Alberta



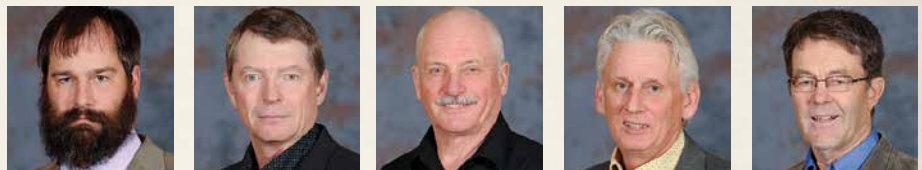
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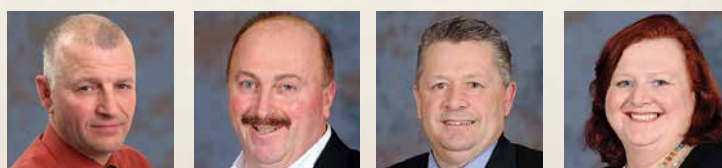


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Dan Darling  
Joe Hill  
Tom Wilson



*From left to right:*  
**QUEBEC** Claude Viel (ex officio)  
**NOVA SCOTIA** George Smith  
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**NEW BRUNSWICK** Jennifer MacDonald



## 2013 President's Report



**Martin Unrau**  
President, CCA

There is a sense of building momentum in the Canadian cattle industry. The third quarter of 2013 brought much progress on the market access and trade liberalization front. October's announcement of an agreement in principle for a Comprehensive Economic and Trade Agreement (CETA) was followed in December by the Bali Package reached at the 9th World Trade Organization (WTO) Ministerial Conference held in Bali, Indonesia. These announcements are a suitable end to a year of breakthrough agreements starting with China and Japan. These deals came to fruition despite years of frustrating negotiations often steeped in political posturing instead of science. Let's hope the positive momentum experienced in 2013 is a sign of things to come.

The removal of longstanding barriers in the CETA deal will enable Canadian beef producers to benefit from new duty-free access for Canadian beef valued at nearly \$600 million. The deal, once finalized, provides Canada's producers with another market to pursue and helps to increase the value of every animal produced in Canada. The Bali Package contains a number of new agreements pertinent to the beef cattle industry but it's also sent an important signal. The Bali Package marks the first time new multilateral rules and trade liberalization have been agreed to since the Uruguay Round agreements were brought into force and the WTO was created in 1995. With the Bali Package, the WTO Members have proved that they can overcome differences to produce a negotiated result.

### Much **progress** on the **market access** and trade liberalization **front.**

The Canadian Cattlemen's Association (CCA) hopes the WTO can now move on to other important items that distort international agriculture production and trade such as market access and domestic support.

There is renewed optimism around achieving a Canada-Korea Free Trade Agreement (FTA). During the Bali Conference, Korea announced a FTA agreement with Australia. Korea has been floating publicly its interest in joining the Trans Pacific Partnership (TPP). In order to do so, Korea will have to be accepted by all of the existing TPP partners, a list which includes Australia, Canada and New Zealand. We believe Korea may be highly motivated to conclude bilateral agreements with Canada and New Zealand also in order to pave their way into the TPP. Our view is that we should seize the opportunity to secure favourable access for Canadian beef into that important market.

The CCA urges the Government of Canada to quickly conclude a FTA with Korea so that Canadian beef can continue to compete in that market. Canadian beef regained access to Korea in January 2012 following a nearly nine year BSE prohibition. When the Korea-U.S. FTA (KORUS) came into effect less than two months later, it put Canadian beef at an immediate tariff disadvantage to U.S. beef. Under KORUS the Korean tariff on U.S. beef imports is decreasing by 2.7 percentage points per year until U.S. beef is duty free in 2026. Canadian beef (as well as New Zealand beef) will remain subject to the full 40 per cent tariff when entering Korea until Canada and Korea reach an agreement to improve access.

CCA attended the TPP Trade Ministers meeting in Singapore Dec 7-9. A final TPP agreement was not reached in Singapore. It appears that many of the 'rules' and the structure of the agreement





# president's report

are coming into place, but much work remains on negotiating the market access commitments. The CCA, as part of the Five Nation's Beef Alliance (FNBA), established a set of core principles for the TPP and emphasizes that tariffs on all products should be fully eliminated without recourse to quotas or other safeguards and emphasizes the importance of addressing non-tariff barriers.

Japan remains a subject of interest in terms of the TPP negotiations. The CCA also strongly encourages a Japan-Canada Economic Partnership Agreement to provide full tariff-free access for Canadian beef. In February 2013, Japan expanded its market access to accept Canadian beef from under-30-month (UTM) cattle. This development is welcomed by the CCA, which persisted in its long-held view that expanded access should be for UTM cattle.



Above: CCA President Martin Unrau greets guest speaker Minister Fast at the podium at CCA's 2013 annual general meeting in Ottawa.

## COOL

In September 2013, the WTO granted the Government of Canada's request to establish a compliance panel. The panel is comprised of the same panelists whose finding that COOL discriminates against Canadian live cattle and hogs was affirmed by the WTO Appellate Body in 2012.

The WTO compliance panel will determine whether the U.S. Department of Agriculture (USDA) May 23 amendment to the COOL regulation complies with the U.S.'s WTO obligations. The Government of Canada and the CCA share the position that the



Above: CCA President Martin Unrau and Vice President Dave Solverson (R) join Agriculture Minister Gerry Ritz (L), provincial ag ministers and officials for the Western Livestock Price Insurance Program announcement in Camrose, AB. Photo credit: Government of Canada.

U.S. amendment falls short of compliance and in fact increases the discrimination against imported cattle and hogs in the U.S. marketplace. The compliance process, which includes the right of either party to appeal the panel's determination to the Appellate Body, is expected to take until late 2014. The CCA will continue to work with the Government of Canada to aggressively challenge these rules that discriminate against Canadian live cattle and hogs at the WTO.

In June 2013, the Government of Canada released a list of U.S. commodities that could be targeted for retaliation in relation to the COOL dispute. A WTO compliance panel ruling in Canada's favour would allow the Government of Canada to seek WTO authority to apply retaliatory tariffs. The retaliation amount is based on the current impairment of \$1.1 billion annually to the Canadian livestock sector but the CCA expects this amount to increase under the amended rule, now in effect.

The CCA's position remains that the only outcome that would bring the U.S. into compliance with the WTO ruling of July 2012 is to amend the COOL legislation to allow either a single mandatory label for all meat produced in the U.S. or to allow for voluntary labelling.

## Coalition Lawsuit

The CCA is part of a coalition of meat and livestock organizations in the U.S., Canada,

and Mexico that filed a lawsuit on July 8, 2013 seeking to strike down the USDA May 23 revision to the COOL regulation. As part of that lawsuit, the coalition filed a preliminary injunction motion to block implementation of the COOL regulation prior to the resolution of the lawsuit. In September the U.S. District Court denied the preliminary injunction. The coalition requested an expedited appeal to U.S. Court of Appeals to overturn its September decision. The first oral hearings were held in January 2014 and the coalition is currently awaiting a decision.

*COOL discrimination costs Canadian cattle producers around \$640 million per year in losses since 2008.*

COOL discrimination costs Canadian cattle producers around \$640 million per year in losses incurred since COOL was implemented in late 2008. USDA's May 23 regulatory change is expected to necessitate additional segregation which will nearly increase the impact of COOL. The experience so far is that the revised rule has more than doubled COOL's negative impact to more than \$100 per head.

# president's report

## Domestic Issues

In January 2013, JBS Food Canada, Inc. completed the transaction to purchase select Canadian assets of XL Foods Inc. The transaction closed the final chapter in the *E.coli* event of 2012. Pre-XL event concerns around maintaining processing infrastructure until the cattle herd expands remain. The impact of having fewer cattle available for processing is being felt and will continue into 2014. The CCA is working to ensure that Canadian operations have a competitive advantage.

Collapsing cow numbers created significant budget constraints for many provincial members in 2013. In Ontario and Manitoba, many producers struggled to feed their animals and maintain their herds in the aftermath of severe weather events - the drought of 2012 in Ontario and the severe flooding the previous year in Manitoba that destroyed pastures. The CCA remains focused on AgriRecovery to assist producers through these difficult times.

Canadian beef production is projected to be down 1.4 per cent at 2.9 billion lbs with domestic beef production down 2.3 per cent at 2.3 billion lbs and live slaughter exports up 2.9 per cent at 515.9 million lbs. The entire decline in 2013 beef production comes from smaller fed cattle production, which is expected to be down 4.9 per cent at 2.2 billion lbs.

Domestic demand for beef was strong in 2012 and it will be important to find ways to maintain that or even improve it slightly as demand adjusts. We are entering a period of higher priced beef due to tight supply and beef will face increasing pressure from an abundance of other, cheaper proteins. Currently, the Retail Beef Demand Index is projected to be down 0.8 per cent at 101.79 following the 6.2 per cent increase in 2012. The CCA remains focused on how best to address the loss of infrastructure, from the cow-calf and feedlot sectors through to trucking and beyond. Work continues also on ensuring Business Risk Management Programs are equitable between cattle and grain sectors to ensure beef cattle production remains attractive.

Efforts are underway with value chain stakeholders regarding a national strategic plan for industry. Issues management is a part

of that effort and the CCA and Canada Beef Inc. presented a plan to the Beef Value Chain Roundtable.

In December, the federal government announced a new bill that will update the cash advance program, known formally as the Advanced Payments Program (APP). While everything is in the preliminary stage for a new bill this looks like a promising update to a good program widely used by producers. The CCA is interested in learning more about all the proposed changes as this "Agricultural Growth Act" will amend several other Acts with varying levels of impact on beef cattle producers. The CCA will be participating in the legislative and regulatory processes in the coming year to present the beef cattle industry's views on the effect of the proposed changes.



## Sustainability

Work continues on the Canadian Roundtable for Sustainable Beef (CRSB), which held its first meeting in July, and the Canadian Cattlemen's Foundation.

The Code of Practice for the Care and Handling of Beef Cattle was released after a three year process. Code guidelines are requirements and recommended practices developed by a multi-stakeholder committee that balance practicality, public concern and science. Producers can defer to the Code knowing the contents are based on the latest knowledge and science.

Development of BIXS 2 is underway. The first of a sequence of releases of 'BIXS 2' is imminent, with each successive release offering

additional benefits to BIXS participants. The first release will emphasize easy import and export of data and a tool to help purchasers source important animal attributes within the beef supply chain.



In November, the CCA was approved for AgriMarketing funding under Growing Forward 2 (GF2) of \$717,500 to add modules for biosecurity, animal care, and environmental stewardship to the Verified Beef Production™ program.

The CCA also welcomed the \$14 million in funding for the Beef Cattle Industry Science Cluster under GF2. Combined with industry contributions, the Cluster will invest a total of \$20 million to support strategic research.

The enhanced feed ban and testing programs are doing their job. Canada is now in the homestretch for the next two years in terms of being able to demonstrate to the World Organisation for Animal Health (OIE) that Canada has negligible risk status for BSE. We still need to ensure our surveillance is at the appropriate level to measure the effectiveness of the controls. Producers can help in this process by continuing to submit suspect animals for testing.

Respectfully submitted,

Martin Unrau



# 2013 Executive Vice President's Report



**Dennis Laycraft**  
Executive Vice President, CCA

With another year behind us it is time to reflect on the performance of the Canadian Cattlemen's Association (CCA) and the industry during 2013.

Overall a number of very positive accomplishments were reached in 2013. The Comprehensive Economic and Trade Agreement (CETA) with Europe was agreed to in principle, Japan raised the age restrictions related to BSE for beef imports to under-thirty-months (UTM), the Beef Research Cluster received matching funding of \$14 million for the next five years, the Code for Practice for the Care and Handling of Beef Cattle was completed, the Canadian Roundtable for Sustainable Beef was created, and a Canadian Cattlemen's Foundation was established. Work on a new long term industry strategy was commenced as well. The Straw Man team completed their work.

Unfortunately, the Mandatory Country of Origin Labeling (COOL) issue was not resolved. The United States Department of Agriculture (USDA) chose to make the rules more difficult and discriminatory instead of complying with the World Trade Organization (WTO) rulings. A fix in the U.S. Farm Bill was viewed as the easiest way to bring the U.S. into compliance with its WTO obligations. However as that did not happen, the CCA continues to challenge COOL on several fronts.

Many of these developments are the result of years of hard work by the CCA. The CETA agreement for instance took more than four years of often protracted

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negotiations to be achieved. Outcomes like CETA require vision, patience, perseverance, and a well-constructed and funded advocacy strategy to ensure Canada's beef cattle industry and the needs of producers are well represented in these processes. The CCA has a terrific staff that are well respected and effective in moving issues and priorities forward.

'New Directions' was selected as the theme of the CCA annual report to recognize some important developments and accomplishments in 2013 that will create new directions for our industry.

The two most significant positive developments were expanded access into Japan and the agreement in principle with Europe on CETA. Japan may not receive as much attention as some other markets in the media but in the real world of beef trade it remains one of the most important and reliable markets for high quality grain fed beef.

In January 2013, Japan increased the age requirements related to BSE for beef imports from under-21-months to UTM. This was a long and tedious process that also involved changing their own domestic testing requirements.

This development is a real game changer for Canada's beef industry for several reasons. Canada can now supply beef 52 weeks of the year and also supply beef from all fed cattle that meet A grades.

Japan, like most of the world, recognized that any risk associated with BSE is very small, is well managed due to the controls in place, and is on the path to the eradication of "classical BSE." This is similar to age requirement changes that have been taking place in Europe where they increased the testing age on healthy slaughter cattle to 72 months. Currently they are looking at eliminating all healthy slaughter cattle testing or moving to 96 months.





# executive vice president's report

Since January, the CCA's attention has focused on partnership negotiations that Canada has launched bi-laterally with Japan and on the Trans-Pacific Partnership. Both these proposed agreements have the potential to reduce the high tariffs (38.5 per cent) that beef imports face entering into Japan.

CETA is a longer term opportunity for Canada's cattle industry. There is still work to be done on the technical requirements that impact plant approvals and on the phase-in periods.



Europe, despite its recent economic woes is still a \$17 trillion a year economy with over 500 million of the most affluent consumers in the world. For the past 30 years it has been a heavily protected market. That potentially changes for Canada under CETA. It is a bi-lateral agreement that will create preferential access for Canadian beef over all other beef exporters in the world at least until others can secure a similar deal. It took Canada four years to get to the agreement in principle – so CCA knows it will not be easy for others to achieve. It is estimated to take another two years to get the final text approved in the EU Parliament.

This market will still require cattle to be raised without growth promotants. We need to ensure that we can get our major plants approved for export.

*2014 has the potential to be a very good year for Canada's beef cattle industry - higher prices and lower costs are the forecast.*

The CCA will be actively working to resolve these final important issues and to prepare a strategy with Canada Beef Inc. to be ready to take advantage of this opportunity.

I had the opportunity to take part in regular consultations during the CETA negotiations and want to recognize the great work of Canada's negotiators, Agriculture and Agri-Food Minister Gerry Ritz and International Trade Minister Ed Fast. Thanks also to Prime Minister Stephen Harper, and the Provinces who made sure agriculture and in particular, beef and pork, remained a must-have priority throughout the process.

Closer to home, things have become more muddled on COOL. This ill-intended policy unfortunately took another wrong turn in 2013 when U.S. Agriculture Secretary Tom Vilsack finally got his wish that he laid out in the infamous letter in 2009 that restarted the COOL case. The USDA has taken away all flexibility for any co-mingling and now requires point of production information. We have seen a number of U.S. plants stop accepting direct for slaughter Canadian cattle and/or have imposed larger discounts on fed in the U.S. imported cattle.

This issue will likely be resolved one way or another in 2014. We are again taking the U.S. to the WTO on the basis that they have failed to bring their law and rules into compliance with the previous WTO rulings. This is the final stage in this legal process that could lead to trade retaliation if we are

successful and should the U.S. again chose to not bring a proper resolution forward.

At the same time as we are advancing our WTO case, the U.S. industry, which is largely on CCA/Canada's side, is challenging the rule in the U.S. courts and continues to aggressively lobby Congress to change the law.

On the positive side, this has pulled the North American industry (Canada, U.S. and Mexico) together and strengthened the relationship outside of government between our three countries. This is becoming increasingly important to deal with a number of international issues related to product approvals, adoption of maximum residue limits (MRL's), animal health and animal care guidelines, sustainability, and working to improve global beef demand.

Looking ahead, 2014 has the potential to be a very good year for Canada's beef cattle industry with both higher prices and lower costs being forecast. New opportunities are being created. The grain and oilseed paradigm is shifting again with much lower prices forecast in 2014 than most thought possible just a few years ago. The competition for land use should be more tempered moving ahead.

Hopefully these market signals will be sufficient to spur a rebuilding of the herd in 2014 and Canada's beef cattle industry will enjoy improved years ahead.

Respectfully submitted,

Dennis Laycraft

## 2013 Division Reports

# division reports

### Beef Cattle Research Council



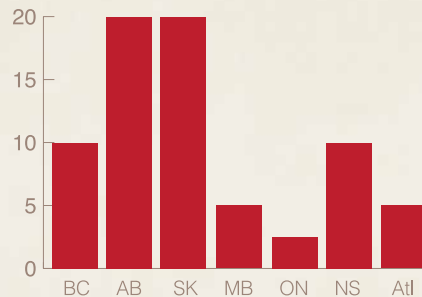
**The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef research.**

**Its mandate is to determine research and development priorities for the Canadian beef cattle industry and to administer National Check-off funds allocated to research. The BCRC is led by a committee of beef producers who proportionally represent each province's research allocation of the National Check-off.**

On average nationally, the BCRC receives approximately 15 per cent of the National Check-off, and plays a key role in leveraging additional revenue for beef cattle research. Recognizing this, the Council works to ensure the highest return on investment possible for industry contributions to research through ongoing consultation with other provincial and national funding organizations.

Investments in beef research have several benefits, including an improved ability to meet increasing global food demand. For Canadian beef cattle producers, every check-off dollar invested in national research programs delivers an average return of \$46 in producer benefits. Advancements in the industry also positively impact the nation's economy.

**Allocation of the National Check-off Dollar to the BCRC as Determined by Provincial Cattle Associations**



### Beef Cattle Industry Science Cluster (Growing Forward)

The Beef Cattle Industry Science Cluster was a four year initiative focused on advancing research of priority through the collaboration of Canada's main public and industry beef research funder. Research funding was allocated for the period between April 1, 2009 and March 31, 2013. Industry and government funding commitments through the Cluster totaled approximately \$10.5 million directed to 32 research activities that involved 51 lead researchers at seven federal sites and five universities in six provinces, in addition to several provincial government institutions and industry facilities.

The Cluster resulted in several notable successes and laid a solid foundation to build upon in the second Beef Science Cluster. Some of the highlights include:

- Canada's third Beef Quality Audit quantified the degree to which animal management has improved through the prevalence of horns (58% reduction), brands (82% reduction) and bruises (31% reduction) compared to 1999 levels. These also indicate quantifiable improvements in animal welfare through less frequent use of painful practices and widespread adoption of improved facility design, animal handling and transportation practices. Liver discounts were identified as a significant opportunity for improvement. Consumer ratings of the flavour, juiciness and tenderness showed an 8-12 per cent improvement since 1999.

- A study of food safety practices in commercial beef processing facilities found that large, modern beef processing facilities equipped with a full battery of food safety interventions can produce dressed carcasses with as few as four viable *E. coli* organisms per carcass; smaller plants with fewer interventions were able to produce dressed carcasses with as few as 40 viable *E. coli* per carcass. This suggests that efforts to avoid food safety related recalls are best focused on ensuring that personal equipment (hands, gloves and knives) and conveyor belts and other plant equipment are regularly and thoroughly cleaned and dried. This research also contributed to Agriculture and Agri-Food Canada (AAFC) hiring a food safety scientist, ensuring AAFC's continued involvement in applied food safety research.
- Research found that 99.9% of prions can be destroyed after 28 days of composting in beef manure. These results can inform efforts to relieve some of the regulatory burden pertaining to on-farm deadstock disposal under the Enhanced Feed Ban, particularly the prohibition on between-farm movement of composted manure containing SRM.

*The Cluster resulted in several notable successes - laying a solid foundation to build upon.*

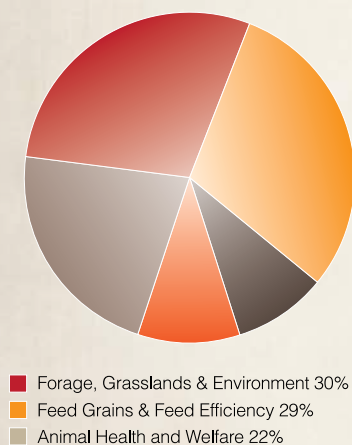
- An examination of how the nutritional value of Dried Distillers Grain with Solubles (DDGS) for feedlot cattle varies with grain type, processing, and facility have helped feedlots to appropriately price these alternative feeds relative to traditional feed grains, based on their effects on animal backgrounding and finishing performance, carcass value, beef quality and manure nutrient levels.



# division reports

- A new sainfoin variety was developed at AAFC Lethbridge. 'Mountainview' sainfoin has the potential to compete well and persist in alfalfa-containing pastures, leading to improved soil fertility, forage productivity and animal performance while minimizing the risk of bloat.
- Diagnostic tests and testing strategies for vibrio and trichomoniasis were developed that reduce testing costs and time, with improved specificity and sensitivity.
- Considerable success was achieved in improving communication and coordination among the numerous beef research funding organizations to improve efficiencies.

**Allocation of Cluster 2 Funding by Research Priority Area**



## Beef Cattle Industry Science Cluster (Growing Forward 2)

On August 20, 2012, it was announced that joint industry and government commitments to the second Cluster totaled \$20 million, including \$14 million in funding from AAFC and \$5 million in funding from the research allocation of the National Check-off and provincial beef industry groups. In addition, direct investments were made by provincial governments. Funding will be directed to 26 activities to be completed by March 31, 2018.

## Technology Transfer & Knowledge Dissemination

The BCRC continues to advance the implementation of its Knowledge Dissemination and Technology Transfer Strategy, which is focused on converting applied research into effective tools that drive industry competitiveness.



A new extension website, [www.beefresearch.ca](http://www.beefresearch.ca), provides access to general information on research topics, fact sheets on in-progress and completed projects, and blog articles that help producers make informed decisions on implementing innovation into their production practices. The website also delivers BCRC-produced videos, webinars and other extension tools. During the second Cluster, cost-of-production decision making tools will be created, the website will be expanded to include fact sheets from other beef research funding organizations, and a greater emphasis will be placed on engaging researchers with industry.

Communications from the BCRC can also be found through the Canadian Cattlemen's Association (CCA) Action News, provincial cattle organizations' newsletters, email updates and magazines, and through a regular research column that appears in Canadian Cattlemen magazine.



## Research Performance Reporting & Evaluation

Evaluating and communicating the short- and long-term returns from research will demonstrate the value of the research allocation of the National Check-off, as well as encourage continued and enhanced government investments in research programs, facilities and expertise. This will also help refine industry's research planning and prioritization and technology transfer efforts.

The BCRC has partnered with Canfax Research Services to develop and implement an economic assessment tool that will aid in assessing the economic returns to beef research in Canada, developing BCRC research priorities, and tracking the economic benefits of BCRC funded research. Results are expected in 2013/14.

## National Research Funding Inventory

In support of the National Beef Research Strategy, that was released in 2012 and is available on [www.beefresearch.ca](http://www.beefresearch.ca), the BCRC is currently collecting and analyzing data voluntarily submitted by other beef research funding agencies. This database will allow funding agencies to better communicate about funding decisions and will enhance collaboration to prevent unnecessary overfunding in certain areas or unintentional neglect of long-term funding to critical research priorities.

## Verified Beef Production™ program

In addition to sponsoring research and technology development, the BCRC oversees and supports the beef industry's on-farm food safety program, Verified Beef Production™ (VBP). This provides a practical means for efficient administration and access to development and implementation resources for the program. It also provides an appropriate forum for policy development to then be taken forward to the CCA Board. Refer to the VBP report on page 13 for program details.

For more information, please visit the BCRC website at [www.beefresearch.ca](http://www.beefresearch.ca)

## Canfax



**Cattle prices in 2013 continued to be supported by tight supplies and also benefited from increased grain production. Alberta fed cattle reached a new record high in November at \$127/cwt with year-to-date prices averaging \$7/cwt higher than a year ago at \$118.75/cwt. However, calf prices have not seen year-over-year increases as the rally in the fall run failed to approach the high prices seen in the first half of 2012, despite a lower Canadian dollar and much lower feed grain prices.**

## division reports

Improved growing conditions in North America saw a significant increase in grain production in 2013. Canadian barley production is projected to increase 27.8 per cent from 2012 to reach over 10 million tonnes for the first time since 2008, with the average yield increasing 32.5 per cent to a record 71.7 bu/ac. In the U.S., corn production is forecast 29.8 per cent higher at a record 13.99 billion bushels while average yield at 160.4 bu/ac. remains 4.3 bushels per acre below the record in 2009/10. With larger production anticipated, grain prices were pressured significantly lower in the second half of 2013. Lethbridge barley prices dropped 37 per cent from \$292.75/tonne in June to \$185.25/tonne in November, while the decline in the U.S. was more significant. Omaha corn prices dropped 42 per cent from \$313.67/tonne to \$182.82/tonne during the same period. As a result, the barley/corn spread went from \$21/tonne in Canada's favor to \$2/tonne in the U.S.'s favour.

With solid fed cattle prices and significantly lower feed costs, feedlots are in a better position to make some money at the end of 2013 and into 2014. As producers have been placing cattle more aggressively than last year in the fall, November 1st on-feed inventories were up 14.6 per cent from a year ago; this will support marketings going into the first quarter of 2014. However, tight feeder supplies, weak basis levels and reduced fed cattle exports due to the mandatory Country of Origin Labeling (COOL) amendments will continue to be major challenges to the Canadian feeding sector.

Canadian calf prices have been somewhat disappointing in 2013 compared to the U.S. While the Alberta calf prices increased \$18

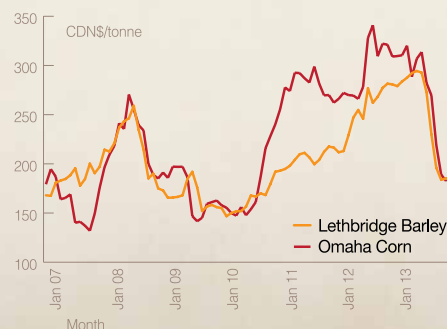
Alberta vs. US 550 lb Steer



from the summer low of \$151/cwt to an annual peak at \$167/cwt, the U.S. prices surged \$29 from \$160/cwt to \$192/cwt. Canadian calf prices have been at a discount to the U.S. through 2013. As the rally of U.S. calf prices outpaced Canada this fall, the spread widened to -\$29.15/cwt in November from -\$2.15/cwt a year ago.

The large discount on Canadian prices combined with tight supplies in the U.S. has prompted a high interest for Canadian feeder cattle. Feeder exports from January to November have more than doubled from year ago levels and are expected to finish the year up 90 per cent at about 315,000 head. As the U.S. has regained its feed cost advantage over Canada, competition for feeder cattle is expected to remain strong, putting pressure on the Canadian feedlot sector.

After being stable for the past couple of years, the Canadian beef cow herd is expected to shrink moving into 2014 as strong cow prices kept cattle coming to the market in the second half of 2013. Canadian beef cow inventories at 3.93 million on July 1, 2013 were down 0.3 per cent from 2012 and are now down 28 per cent from the peak in 2005. Cow marketings were up 19.7 per cent in 2013 with domestic slaughter up ten per cent and exports up 45 per cent. The beef cow culling rate is projected to be up for the first time since 2008, to 14.4 per cent compared to ten per cent in 2012 and the 20-year average of 11 per cent. A high culling rate means heifer retention has to increase in order to maintain the beef herd. However, the July 1 breeding heifer inventories increased a modest 0.7 per cent from 2012 indicating a significantly slower growth rate compared to 4.5 per cent in 2012 and 6.6 per cent in 2011. Meanwhile,

Feed Grain Prices  
Lethbridge and Omaha in barley equivalents

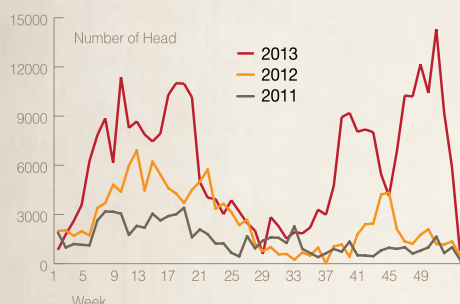


# division reports

heifer placements into feedlots from January to October increased to 39 per cent of total placements compared to 36 per cent last year.

On the other hand, the U.S. cattle herd appears to be stabilizing as strong calf prices and improved moisture conditions have brought renewed optimism to the industry. Cow slaughter has drifted below year ago levels since June with year-to-date slaughter volumes down five per cent from 2012.

## Canadian Weekly Feeder Cattle Exports



Canadian beef production is projected to be down 1.4 per cent at 2.9 billion lbs (1.3 million tonnes) with domestic beef production down 2.3 per cent at 2.3 billion lbs and live slaughter exports up 2.9 per cent at 515.9 million lbs. After seeing a dramatic increase last year, carcass weights are expected to be lower in 2013 with steer carcass weight down two lbs at 876 lbs, as tight fed cattle supplies kept feedlots current in the second half of the year.

The entire decline in 2013 beef production comes from smaller fed cattle production, which is expected to be down 4.9 per cent at 2.2 billion lbs (1.0 million tonnes).

Non-fed beef production is projected to increase 15.6 per cent to 564 million lbs (0.3 million tonnes), with exports up 47 per cent while domestic non-fed production is expected to be up two per cent with the increased cow slaughter.

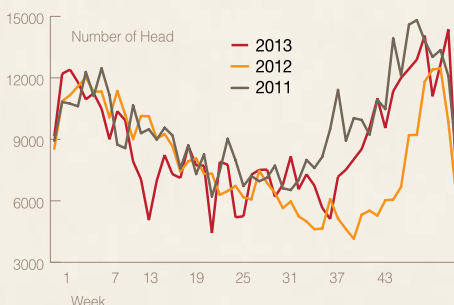
Of the 2.9 billion lbs of Canadian beef produced, roughly 43 per cent was exported in 2013. Live slaughter cattle exports are expected to total 651,000 head, with fed exports down 15 per cent from a year ago and cow exports up 45 per cent.

Beef exports were down 8.4 per cent in volume and 2.5 per cent in value from January to October 2013, and are expected to finish the year down two per cent from 2012 with volumes in the fourth quarter larger than year ago when the *E.coli* outbreak resulted in the Lakeside plant losing market access to a number of countries.

The U.S. remains the major export destination taking 70 per cent of total exports in 2013, but its share continues to shrink from 73 per cent in 2012 and 75 per cent in 2011. While beef exports are expected to be down five per cent to the U.S. and 32 per cent to Mexico in 2013, the Canadian industry continues to diversify its export markets with significant growth to Hong Kong and Macau, Japan and China which have become Canada's second, third and fifth largest export market this year. Exports to non-NAFTA countries are projected to be up 25 per cent in 2013.

Beef imports were up 4.8 per cent in volume and 8.5 per cent in value from January to October, but are expected to end the year down two per cent with increased domestic cow slaughter and smaller imports in the fourth quarter compared to 2012 when domestic production reduced following the *E.coli* outbreak.

## Canadian F.I. Cow Slaughter



Imports from the U.S. are projected to be down 1.7 per cent to account for 77 per cent of the total while non-NAFTA imports are expected to be down 2.9 per cent. Lean grinding beef is the major product imported from non-NAFTA countries. Reduced domestic supplies of non-fed beef as a result of the shrinking cow herd will encourage imports in 2014. However, global supplies are tight, and demand by competing importers is expected to limit growth of non-NAFTA imports.

## Canadian F.I. Retail Beef Demand Index (Index 2000=100)



Beef and poultry prices were at record highs in 2013. Beef retail prices from January to October averaged \$14.66/kg, up 2.1 per cent from 2012, while poultry was up 1.7 per cent at \$7.13/kg. In contrast, pork prices were down 2.1 per cent to \$10.00/kg. The beef/pork ratio averaged 1.47 up five per cent from 2012, while the beef/poultry ratio averaged 2.06 up 0.5 per cent. The higher ratios indicate that beef is more expensive compared to competing meats, pressuring beef consumption. In 2012, beef lost 0.3 per cent of its market share while chicken lost 0.2 per cent and pork gained 0.6 per cent. As feed prices have dropped significantly in the second half of 2013, the shorter production cycle of pork and chicken enable these sectors to respond more quickly with higher production and lower prices. This will further challenge beef's market share.

With smaller domestic production and beef imports in 2013, beef consumption is expected to be down two per cent at 19.6 kg/person with an adjustment from the high seen in 2012 as consumers supported the industry through the *E.coli* recall. The Retail Beef Demand Index is projected to be down 0.8 per cent at 101.79 following the 6.2 per cent increase in 2012.



## division reports

**Risk Factors to Watch:**

- 1. Feeder Exports** to the U.S. in Q1 2014 have serious potential with lower corn prices and at least two U.S. packers taking 'B' label cattle. Any substantial increase in feeder exports will impact fed marketings in 2014, as fewer cattle are fed in Canadian feedlots and consequently fewer cattle are available to Canadian packing plants. The 2014 projection is currently assumed steady with 2013. If two plants took 'B' cattle for one day, 26 weeks of the year that is 182,000 head – down 53,000 head from 2013, potentially offsetting the reduction of the calf crop and reducing the decline in fed marketings.
- 2. Heifer Retention** will need to increase to keep the herd stable as cow marketings increase back to historic levels. This will remove potentially 27,000 head from fed marketings in 2014, even without any price signal for expansion this fall.
- 3. Cow Marketings** are on the uptrend, the question is how many will go south and how many will be slaughtered at home. In 2013, 35 per cent were exported, up from 28 per cent in 2012. Cow exports will be supported in 2014 as long as U.S. cow slaughter remains low and lean trim prices are strong. Domestic packers will need to be aggressive to keep these cows in Canada. Larger cow exports occurred in both the east (+113 per cent) and west (+59 per cent) in 2013 (January to October).

- 4. Bull Marketings** have seen a significant shift in 2013 with 94 per cent being exported compared to a historic average of 55 per cent. In the first part of 2013, Canadian packers were not taking bulls. While youthful bulls are now being accepted in some locations, mature bulls are all being exported.
- 5. Canada** currently has idle capacity at Calgary, Balzac, Levinoff, and Moose Jaw as well as under-utilized plants which could increase production if more animals stayed in Canada. There is new ownership at the Balzac plant, and they plan to re-open the facility in 2014, which would increase competition for cattle in Canada. Federally inspected slaughter has been 78 per cent of capacity this summer (July to September 2013). An additional 15,000 head could be slaughtered domestically every week. In 2012, fed and feeder exports averaged ~11,200 head per week. The capacity is currently available to slaughter everything domestically (excluding cows), although there would be seasonal variations which could require exports. Smaller North American supplies, both in the southern U.S. and northwest could result in the closure of a U.S. plant over the next 12 months. If domestic packers make a concerted effort to keep cattle in Canada, utilization rates could be supported with a combination of larger non-fed marketings and fewer fed exports.

**Canfax Research Services**

Canfax Research Services (CRS) continues to focus on the delivery of accurate data, market information, and economic analysis of issues that are of importance to the industry. In the last year CRS has been focussed on the launch of several new initiatives, as well as the enhancement of existing activities:

- 1. Canfax and CRS** undertook a review of price data and in January 2014 will discontinue the monthly price reporting of Atlantic cattle prices and weekly Manitoba and Saskatchewan fed cattle prices due to inadequate trade for price discovery.
- 2. CRS Fact Sheets** – Merck Animal Health has renewed sponsorship of the CRS Fact Sheets for 2014-2016. Two publications will be provided each year, previous Fact Sheets are available on the Canfax website, [www.canfax.ca](http://www.canfax.ca).
- 3. CRS** is working with the Canadian Cattlemen's Association (CCA) Environment committee, Dairy Farmers of Canada, Manitoba Pork Council, and Canadian Canola Growers Association in an Environmental Data Survey. CRS is looking for feedback from researchers and industry partners to better understand which questions from the Agriculture Census and Farm Environmental Management Survey (FEMS) are the most important for agricultural as a whole to retain in monitoring and evaluating environmental impacts across Canada.

For more information, please visit the Canfax website at [www.canfax.ca](http://www.canfax.ca)





## Verified Beef Production



***The Verified Beef Production™ (VBP) program identifies practical, industry-sanctioned practices to manage food safety risks at the farm level. It was designed by the beef industry to meet HACCP-based expectations in a low cost manner.***

### ***VBP focuses on:***

- ***Animal Health Management***
- ***Medicated Feed/Water and Non-ruminant Feed***
- ***Cattle Shipping***
- ***Pesticide Control and Manure***
- ***Training and Communication***

Developed by the Canadian Cattlemen's Association in 2003, VBP has undergone two technical reviews by the Canadian Food Inspection Agency.

VBP's standard operating procedures, education and record keeping components complement food safety efforts beyond the farm-gate.

VBP identifies standard procedures for using animal health products, pesticides, and managing against potential broken needles and buckshot. Due to the large size of the beef industry, focus has been on training cattle operations via workshops, and providing support to implement basic record-keeping if not in prior use.

*Standardized operating procedures, education & record keeping complement food safety efforts beyond the farm-gate.*

VBP is in the early stages of adding modules for biosecurity, animal care and environmental stewardship with a five year plan approved in December 2013. The program also works closely with the dairy sector to harmonize programs. There are some synergies in cooperation between the sectors - as both raise cattle to produce food.

For more information, please visit the VBP website at [www.verifiedbeef.org](http://www.verifiedbeef.org)

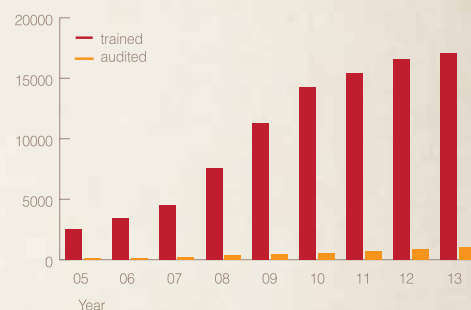
# division reports



As of June 2013 using a weighted average:

- 67% of beef production from VBP-trained operations (17,103)
- 20% of beef production is from VBP-registered operations (1,004)

**Percent of Production**



**Percent of Production**

VBP - Trained by province:

Province	Cow-calf	Feedlot
BC	21%	100%
AB	36%	89%
SK	25%	59%
MB	33%	39%
ON	52%	20%
QC	15%	67%
Atlantic	12%	16%

VBP - Registered by Province: (audited)

Province	Cow-calf	Feedlot
BC	3%	67%
AB	4%	22%
SK	1%	43%
MB	6%	39%
ON	4%	2%
QC	0.1%	59%
Atlantic	0%	3%



# The Environmental Stewardship Award



As stewards of a vast portion of the Canadian landscape, Canada's beef cattle producers play a significant role in protecting and enhancing the environment. They continuously strive to improve existing stewardship conservation practices to create a sustainable future – always farming for tomorrow.

Since 1996, The Environmental Stewardship Award (TESA) has recognized producers who go above and beyond standard industry conservation practices and set positive examples for other cattle producers and the general public.

At the local level, a producer receives provincial recognition for their outstanding contributions. These recipients move forward as nominees for national recognition from the CCA. The national TESA recipient is announced during the CCA Convention, held during the semi-annual meeting.

Each nominee exemplifies significant innovation and attention to a wide range of environmental stewardship aspects in their farm operation. Such innovations extend beneficially to areas far beyond their land, including water, wildlife and air. For nomination and general information, please contact your provincial cattle association.

## Previous TESA Winners

Many outstanding Canadian farm families have been TESA recipients over the past 16 years. At the provincial and national level, these individuals and families lead the way in creating a sustainable future for Canada.

To learn more about the significant contributions of past TESA winners, please visit: <http://www.cattle.ca/sustainability/the-environmental-stewardship-award/>

## 2013 Provincial Recipients

### Dave and Wanda Casorso

The Casorso Ranch,  
Oliver, British Columbia  
*British Columbia Cattlemen's Association  
Environmental Stewardship Award Recipient*



### John and Pauline Featherstone & Family

Stone Island Ranch Barrie Island, Ontario  
*Ontario Cattlemen's Association  
Environmental Stewardship Award Recipient*



### Gerry and Cheryl Taillieu & Family

Tomahawk Cattle Ranch Ltd. Tomahawk, Alberta  
*Alberta Beef Producers Environmental Stewardship Award Recipient*





## 2013 National Recipient

**Allen & Lillian Patkau**, Sandy Arrow Ranch, Hanley, Saskatchewan



Sandy Arrow Ranch is The Environmental Stewardship Award (TESA) recipient for 2013. Sandy Arrow Ranch is just to the south of the sand hills that run along the South Saskatchewan River, just east of Hanley, Saskatchewan, and is made up of 3,200 acres of deeded land, and 1,500 acres of rented land. Allen and Lillian Patkau run the ranch as a cow-calf operation as well as a rotational grazing system for their replacement heifers.

Sandy Arrow Ranch was chosen for the 2013 TESA as it demonstrates how producers use innovation to overcome and enhance challenging environments to achieve beneficial and sustainable outcomes. The ranch is situated on land with saline soils, which are very hard to work with. The judges were impressed by the management practices the couple deployed to create productive land in a challenging area, as well as their solid commitment to utilizing sustainable farming practices.

*Sandy Arrow Ranch demonstrates how producers use innovation to overcome and enhance challenging environments to achieve beneficial and sustainable outcomes.*

CCA Environment Committee Chairman Lynn Grant was very impressed with the Patkau's operation. "The Patkau's have paid particular attention to the soil health of their land and have implemented practices that reflect a long-term approach to the sustainability of their farm," he said.

The Patkau's hard work over the years has resulted in land that is very usable for their cattle operation. They have implemented



an environmental farm plan and holistic management practices to improve their land, and have also worked alongside several government programs which have helped them to develop a profitable operation.

They cross-fence all their pastures with electric fence, and water lines are used to keep cows in pre-defined areas, resulting in less walking, less soil impact and more control over manure. The Patkau's also use a remote winter watering site to winter the cows in a specific area of the ranch, one that needs additional organic matter, and that will relieve pressure from the home well. In the near future, the couple hope to increase their carrying capacity and to further improve the land through bale grazing, which can help build soil and facilitate increased water retention.

The Patkaus' philosophy has always been to manage the grass and the land the best way possible and financial success will follow. This philosophy has worked well for the couple, who have shown through their land management practices that better soil health leads to better water and in turn, livestock health. In their own words, 'In nature everything is connected. Management's responsibility is to try to keep these things in balance and that can be a real challenge. When we focus on only one thing, then the balance is upset and something will suffer. When we come nearer to a good balance we can see a healthy diversity.'



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## 2013 Committee Reports

### Animal Care Committee

*The Animal Care Committee works to understand and develop industry-wide acceptable practices for animal care by understanding current animal care issues and communicating to the public that Canada's beef producers are responsible custodians of the animals they own.*



The renewed Code of Practice for the Care and Handling of Beef Cattle was released on September 6, 2013. This was a few months later than predicted in this report last year.

The extra time was necessary to ensure all of the public comments were well considered in going from the public comment draft to the final code. The public comment part of the process was very useful for several reasons. This process helped ensure the code content is relevant and that it contains all the areas that should be considered when looking at caring for beef cattle in Canada. It was also important for transparency and ensuring wide acceptance of the code's legitimacy. A wide range of views and opinions were in the public comments which strengthened the final product. After almost three years the committee participants' efforts are reflected in a code that has been well received since its release.

There have been several undertakings by provincial cattle associations and others to publicize the new code. The British Columbia Cattlemen's Association has been running successive articles in their 'Beef in BC' magazine. Manitoba Beef Producers has also run a series of informative articles and editorials related to animal care, the code and steps producers can take to deliver on the contents of the code. Staff writers and guest

writers including veterinarians, the Beef Cattle Research Council and others provide multiple viewpoints on the code contents and how it relates to beef production.

*The Code of Practice for the Care and Handling of Beef Cattle was released on September 6, 2013.*

The Beef Farmers of Ontario has been conducting a series of 'Hands-On Beef Code of Practice Workshops' in numerous counties. These have included a veterinarian discussing the code's contents including the content around pain management.

Others have been doing a great job of distributing the code, spotlighting it at producer meetings, including it as part of agendas and generally incorporating it into the already ongoing animal care communications that have long been part of industry's internal discussion.

The Canadian Cattlemen's Association (CCA) is also working on the next step for the code. A project to expand the Verified Beef Production™ program was approved in late 2013. This project will run several years and will involve adding modules to the existing On Farm Food Safety program. Modules are to include biosecurity, animal care and environment. The aim is to give producers the tools to show the good work they are doing. Some customers or value chains are beginning to or have already been looking for assurances in some of these areas. There is a risk that they will each come up with their own programs. By developing these programs ahead of and in consultation with different parts of the value chain the CCA and its members help producers manage this risk proactively.

The beef code was developed following the National Farm Animal Care Council (NFAACC) Code Development Process. Several other codes have been released in the last year. This was all part of an Agriculture and Agri-Food Canada (AAFC) AgriFlexibility project. The Council is currently developing proposals to continue building on the foundation these several codes form. Other codes will be completed in the coming years. The council is also working on a similar process for developing animal care



# committee reports

assessment programs. This would be the process an industry could follow to develop a program that demonstrates that producers are following their industry code of practice. Increasingly channel partners (retail and food service) are being pressured about animal care and other sustainability areas. As they get asked to prove they are delivering in these areas they are turning to their suppliers for proof of the same. The NFACC hopes to develop one tool that all industries can use so channel partners can be assured that a robust process was followed and be comfortable with the many different programs Canadian animal agriculture sectors will have.

The NFACC has had a very big year delivering value to the Canadian government, public and its member organizations. Continuing to deliver on codes of practice and other concrete animal care undertakings will be important. It will also take considerable resources. AAFC has been good on project funding but the increasing profile of the council along with the maintenance needs of all that has been done in the last three years will call for sustaining funding that governments are saying must come from industry. As an investment in managing risk for the industry the cost of the council to date should be seen as minimal but will be watched carefully to ensure value is delivered for the resources allocated.

The Canadian Livestock Transport certification program (CLT) found its new home at the Canadian Animal Health Coalition in 2013. This program is important to provide a training program for drivers hauling all kinds of livestock in Canada. This is an area where a lot of questions about modern agriculture arise. There is also pressure to change Canada's regulations to align with those of other (often much smaller) countries. Ensuring outcomes are positive through making good pre-transport decisions about which cattle to ship on which trips is important. Hiring drivers that will ensure the cattle arrive at their destination in the condition they left is also important to the industry.

There is a continued level of noise and concern about how food (and fibre and



work) animals are cared for in Canada and around the world. Over the past year, several undercover videos have come to light. The people who shot them held onto these videos for some time before turning them over to authorities. This does not align with putting a stop to any bad practices as soon as possible. It did allow them to maximize the impact of their projects.

These videos have resulted in retraining, firing, prosecutions, and business practice

changes. Cattle have not been absent from these videos although specifically beef industry practices have not been a big focus. Rather than put up walls and keep people from seeing the industry, producers can move forward in a transparent and proud manner. Talking about, showing and demonstrating what is done, why it is done and why other methods are not used are important. When consumers know someone trustworthy and considerate is on the job they are more likely to support beef and beef cattle producers. Channel partners could decide to impose changes if they decide producers cannot be trusted. The same is true of government and (to some degree) consumers.

**Committee Members:** Reg Schellenberg, Chair; John Schooten, Vice-Chair; Martin Rossmann, Ted Artz, Dan Darling, Dave Solverson, Howard Bekkering, Perry Rasmuson, George Smith, Jennifer MacDonald, Daniel Muir, YCC ex-officio. CCA staff: Ryder Lee.

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## Animal Health and Meat Inspection Committee

*The Animal Health and Meat Inspection Committee is responsible for ensuring the eradication of diseases of concern to the industry by making certain that regulations are based on sound, current science and do not unnecessarily impede trade. The committee's goal is to ensure customer confidence in the Canadian meat inspection system and to be recognized by trading partners as providing outstanding food safety assurance.*



### Traceability

During the first few months of 2013, the Canadian Cattlemen's Association (CCA) participated on a working group for the Cattle Implementation Plan Costing Initiative. While a preliminary report was provided, a final cost/benefit report is expected in early 2014.

This coincides with the major undertaking of proposed regulatory reform for traceability which entered the pre-publication consultation stage at the end of the year. Proposed regulations for livestock traceability are scheduled for initial publication (Canada Gazette I) in 2014.

Unresolved issues include having all Provincial Governments' engaged in their responsibility for premises ID and determining the precise points in the movement of animals that will require reporting to the traceability database.

The National Movement Document continues to be developed. Some provinces still need to determine what information is required on the document and then all stakeholders have to consider how that information is sent to a database.

### National Biosecurity Standard and Implementation

The CCA applied for Growing Forward 2 funding under the Agri-Marketing Program; Assurance Systems stream to add training and audit modules to the Verified Beef Production™ (VBP) program, including biosecurity, animal care (Codes of Practice) and an environment component. An announcement was made on November 8, 2013 that the CCA was successful in obtaining the funding. Over the course of the next four years, the CCA will work with its provincial members to align activities to avoid duplication and ensure an efficient and effective implementation of these important industry programs.

### Feed Regulation Modernization

The CCA is a participant on a steering committee looking at modernizing the feed regulations to align the issues associated with ingredient approvals, manufacturing processes, efficacy of commercial feed, labeling of complete feeds (and supplements) and inspection and compliance. The regulations will mostly affect the feed manufacturers relative feed ingredient classifications (feed or drug); a streamlined

new feed ingredient approval process; putting feed ingredients and levels of nutrient inclusion in a guidance document rather than in the regulation itself, and other changes that result in a clearer regulatory role of the Canadian Food Inspection Agency (CFIA) and a role for the market place to deal with feed quality and efficacy.





# committee reports

## BSE Surveillance

The numbers of samples were down quite significantly in 2011 and 2012, specifically in Alberta and Saskatchewan. The trend of declining numbers reversed itself for the first five months of 2013, with both Saskatchewan and Alberta indicating an increase in surveillance samples over the same period in 2012. While the trend dropped as expected during the summer months, as of December 2013, a total of 31,021 samples (all negative) had been tested. This has partly been attributed to enhanced communications through the industry on the importance of continued BSE surveillance while Canada is a controlled risk country.

By hitting the target of 30,000, Canada maintains a credible level of BSE surveillance to demonstrate that our control measures are effective and we are working towards eradicating the disease. According to CFIA, falling short of this target could have an impact on our ability to apply for Negligible Risk status in 2015, and receive that status in 2016, the first year we would be eligible.

## Zoning

The primary industry groups which have led and contributed to this initiative (beef, pork, dairy) have all indicated they were not prepared to support another four to five years of having people placed at West Hawk Lake inputting voluntary data for the benefit of CFIA. The Canadian Animal Health Coalition has been tasked with coming up with a proposal that is more about the data collection system and less about the site. In order to advance our zoning capability, we must be able to gather movement data at specified points in the transport of animals and products which may not precisely align with traceability. In other words, we need to determine if there is added value in having the capability to create disease control zones based on a combination of politically and geospatially defined boundaries.

## National Farmed Animal Health and Welfare Council

The CCA is a charter member of the National Farmed Animal Health and Welfare Council. The Council is a not-for-profit corporate body with members from industry and both Federal

and Provincial government representatives. While these representatives change from time to time, relationships at the Council table continue to be enhanced. There is a growing appreciation for the inter-related impacts and benefits in a 'One Health' approach.

The Council's vision is "Canada values and supports the health, care and welfare of the farmed animal population and its contribution to the well-being of people, the environment and the Canadian economy." With this as a guiding principle, the Council has continued to deliberate on the key outcomes of the Strategy and develop thoughtful and practical recommendations to achieve the outcomes, thereby enhancing our world class animal health and welfare system.

## E-Certification for Exports

In May 2013, a meeting of interested industry and government stakeholders was convened to discuss possible next steps for establishing an export electronic certification system for Canadian industry. The meeting was called with the objective of gathering industry and government feedback regarding the development of an export electronic certification system for Canada, and to explore in detail the options available to government and industry for the development of a system in a reasonable period of time. The CFIA is working on a system for all agricultural commodities, but has indicated that 2017 is the earliest it will be ready.

## Other

As was reported last year, the CFIA announced changes to the classification of four diseases; Anaplasmosis, Rabies, Anthrax and Chronic Wasting Disease. An announcement was made in 2013 stating that Anaplasmosis would be removed from the reportable disease list effective April 1, 2014. Between now and then, a minimal response program will still be in place. Industry will assume the responsibility for managing the disease through biosecurity and other management tools in collaboration with veterinary practitioners.

The other diseases, particularly rabies, has created a problem for some provinces in assuming the responsibility for more aspects of this disease. Specifically some provinces do not have the resources to assume the full cost for surveillance, sampling and compensation for an internationally reportable disease with implications for human health.

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**Committee Members:** Pat Hayes, Chair; Larry Delver, Vice-Chair; Heinz Reimer, Martin Rossmann, Jennifer MacDonald, Bob Lowe, Howard Bekkering, Ivan Johnson, Tom Wilson, Ben Fox, YCC ex-officio; Louis Desautels, Resource. CCA staff: Rob McNabb.

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## Convention Committee

# committee reports

*The Convention Committee plans the Canadian Cattlemen's Association (CCA) national convention held during the semi-annual meeting to provide cattle producers with the opportunity to view their national organization at work, discuss prevalent industry issues and network with industry stakeholders. The convention is held annually in August.*



The 2013 CCA semi-annual meeting was held in London, Ontario. This was the first time since 2010 that the CCA semi-annual meeting resumed travelling to the provinces, having partnered with the International Livestock Congress (ILC) for a joint event in Calgary, AB. In 2012, the CCA board decided to once again move the convention from province to province; the decision of where to hold the convention is subject to yearly review. The 2014 convention will take place in Charlottetown, P.E.I. and will be hosted by the Prince Edward Island Cattle Producers (PEICP).

### Event Highlights

#### *The 2013 National Convention and TESA Luncheon*

The CCA 2013 National Convention was held from August 13 to 15 at the Best Western Lamplighter Inn, in London, Ontario. More than 250 producers and industry stakeholders enjoyed and partook in presentations given by an excellent lineup of speakers who presented their views on topics including the Canadian and international economic outlook, international trade and public perceptions of the beef industry.

The Environmental Stewardship Award (TESA) was again presented by Environment

Committee Chairman Lynn Grant following the convention's lunch hour. Allen and Lillian Patkau of Sandy Arrow Ranch in Hanley, Saskatchewan were named the recipients of the 2013 TESA. Our congratulations and gratitude goes out to the Patkau's for their extensive work in the area of environmental stewardship and to all of the 2013 TESA nominees.

#### *BBQ, Entertainment Evening and Live Auction*

The BBQ for this year was held in the Crystal room of the Lamplighter Inn. Guests enjoyed a wonderful beef supper, followed by a live auction in support of 4-H and excellent live music.

The live auction was a great success, due to the incredible generosity of our sponsors who donated everything from original artworks to sporting event tickets. The live auction earned a total of \$5,640 with the proceeds being split between the Canadian and Ontario 4-H Foundations. Special thanks to Rick Hobbs for the excellent job as auctioneer.

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**Committee Members:** Dan Darling, Chair;  
Bob Lowe, Ivan Johnson. CCA staff:  
Matthew French, Gina Teel.

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## Domestic Agriculture Policy and Regulations Committee

*The Domestic Agriculture Policy and Regulations Committee deals with non-trade related regulatory issues, such as general government policy, safety nets and transportation regulations. It also makes representation to the government and works with other committees or groups on issues of mutual interest.*



Growing Forward 2 (GF2) is now rolled out across the country. This means different things in each province as provincial governments have more flexibility than under Growing Forward. Food safety, biosecurity, environment and other areas are receiving more or less government program and budget focus over the next four years. As this report mentioned last year the effects of the changes to business risk management programs are really yet to be seen. The record large crop of the last year along with a year with no major drought or flood events has made for an uneventful AgriRecovery year. It will be informative how AgriStability deals with the large grain price moves from December 31, 2012 to December 31, 2013.

GF2 also saw the launch of project funding in several areas. One area of interest to the Domestic Ag Policy committee is risk management. The AgriRisk Initiatives program is to fund exploration of new program ideas either in the research area or in the beginning administration. At the time this report was written the Canadian Cattlemen's Association (CCA) was working on a proposal to explore improving forage insurance offerings through improved satellite imagery applications. Improving forage insurance is something the CCA has pursued for some time. This would better level the

decision making factors between annual and perennial crop production. As long as annual crop production insurance is better than perennial crop production insurance it will be a factor constraining the cattle industry. Positive market signals are important to herd stability and growth but they are not the only consideration. The beef cattle sector's options for risk management compared to other types of production play a part in industry expansion or contraction.

*Positive market signals along with risk management options are important to herd stability and growth.*

One of the areas where livestock production is competitive with annual crops is in production volatility. A major risk with annual crops is weather events that decimate production. Livestock production levels are less volatile (unless there is no feed due to a weather event but that is really a crop production shortfall).

When farm risk is examined annual crop producers no doubt look at production as a major risk that is largely out of their control. Over time crop insurance has evolved to help producers share that risk with governments. In the past decade there have been steps taken to develop production insurance for livestock producers. During these discussions it has become accepted that this risk is not an area in need of newly developed programs as they would be unlikely to succeed. The levels of production are too static and the named perils that would be covered are things producers already manage.

This leaves livestock producers to manage the main risk they face on their own. Price and basis fluctuations are something that can severely impact beef cattle producers. The swings in currency, price and border realities have reared their heads in negative (and positive) ways through history. Several things have made this risk more volatile and more concerning to the industry in the last decade. Ethanol policy has tied the agriculture sector closer to oil fluctuations, BSE illustrated how much the U.S. border impacts prices in Canada, the U.S. exchange rate moving from around 70 cents to parity and beyond and back and forth, and the increasing value of feeders and fat cattle have all increased the enterprise risk of price and basis swings.



## committee reports

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The CCA has been lobbying for several years to expand availability of a program available to Alberta producers. The Cattle Price Insurance Program offers producers a way to cover some of the risk of negative price and basis swings versus what the market offers. This program does not involve government sharing of the premiums as happens with crop production insurance. It is CCA policy that this

program is made available beyond Alberta and that governments share in the premiums similar to crop production insurance. This would level the field between provinces and between different commodities. In January 2014, Agriculture and Agri-Food Minister Gerry Ritz announced the Western Livestock Price Insurance program (WLPIP). This four-year pilot project will enable producers in Western Canada to manage price and basis risk and is a positive step forward towards the CCA's goal of achieving a national plan.

The final development related to insurance is a new forage insurance program in Manitoba and discussions on program modifications in Ontario. There is recognition that lack of uptake is an indicator that programs could be improved. Manitoba rolled out increased options for coverage including an option that increases coverage in times of widespread shortage. This is not far removed from the CCA policy calling for feed needs replacement to be part of forage insurance. The frustration with forage insurance has often been when a real payout situation arises that the indemnity does not cover the need.

Although it would cover buying replacement feed in an average year the price in a drought year is much higher. Manitoba has made an attempt to address this previous shortfall. Ontario and other areas will no doubt add innovations to hopefully address this acknowledged shortfall in past offerings of hay and forage insurance.

The new development at the end of 2013 is the introduction of bill C-18 the 'Agricultural Growth Act.' This Act will have several effects on Canadian agriculture. The most visible to producers will likely have to with updates to the *Agricultural Marketing Programs Act*. This Act covers the Advance Payments Program also known as the cash advance. There are also changes to plant breeders' rights that are aimed at increasing intellectual property rights. This should increase the attractiveness of Canada for plant breeders leading to more innovation in variety development. This Act also is meant to allow the Canadian Food Inspection Agency (CFIA) to consider science from other jurisdictions in considering approval of new technologies. This has long been a request of the CCA. It remains to be seen if this change will apply to Health Canada's Veterinary Drugs Directorate. The precedent of this change bodes well for other areas of government innovation assessment. This legislation overlaps with ongoing discussions regarding the modernization of the CFIA. Bill S-11, the '*Safe Food for Canadians Act*' is similarly wide ranging. The CCA continues to participate in the regulatory aspect of this Act.

It is nice to come to the end of a year without a widespread AgriRecovery issue having hit the news. This is not to discount the challenges of those in flood areas this past year or who faced other challenges. But a year of generally good crops and good production is certainly worth appreciating.

**Committee Members:** Bob Gordanier, Chair; Rob Somerville, Co-Chair; Perry Rasmuson, Lynn Grant, Ivan Johnson, Jennifer MacDonald, Ramona Blyth, Tom Wilson, Joe Hill, Bob Lowe, John Schooten, Lary Fossum, Dave Solverson, Warren Schneckenburger, YCC ex-officio. CCA staff: Ryder Lee.





## Environment Committee

*The Environment Committee deals with environmental issues that could affect the beef industry. It encourages environmentally-sustainable production practices and communicates to the public that cattle producers care for the environment, through utilizing effective, land management strategies.*

Consumer interest in and proof of sustainable production practices continues to grow. To respond to this the Canadian Cattlemen's Association (CCA) spearheaded the start of the Canadian Roundtable for Sustainable Beef (CRSB).

The CRSB aims to be a national, multi-stakeholder initiative developed to advance existing and new sustainability efforts within the industry. The CRSB will lead a national forum dedicated to connecting a network of local, regional and national leaders in the beef industry with a common vision and mission.

Through leadership, science, multi-stakeholder engagement and collaboration continuous improvement of sustainability of the Canadian beef value chain will be achieved and recognized.

**VISION:** The Canadian beef industry is recognized globally to be economically viable, environmentally sound and socially responsible.

**MISSION:** Be a global leader in the continuous improvement and sustainability of the beef value chain through science, multi-stakeholder engagement, communication and collaboration.

A potential members meeting for the CRSB was held in July of 2013. At this meeting those in attendance outlined areas of focus and principles of sustainability. Currently the CRSB is working on putting in place and activating a communication plan as well as a sustainability assessment of the

Canadian beef industry. The CRSB will also be a secondary advisor for the additions being made to the Verified Beef Production™ Program (VBP). The CCA via the Value Creation and Competitiveness Committee (and support by the Environment Committee) is leading the development of new modules for the Verified Beef Production™ Program. Three modules will be added; environment, animal care and biosecurity. This program is being supplemented to cost effectively meet the demands of the current and future marketplace.

*Leadership, science, multi-stakeholder engagement and collaboration will sustain the Canadian beef value chain.*

The CCA continues to work on the set up of the Canadian Cattlemen's Foundation. The Foundation is currently registered as a non-profit organization and is waiting on government approval of the charitable status application. The inaugural board of the Foundation will be established early in 2014.

### The Foundation focuses on three main areas:

1. Promote and support stewardship practices and conservation actions that conserve the environment, biodiversity and wildlife habitat on working agricultural landscapes.
2. Develop education, leadership development, and outreach programs to serve youth involved with beef cattle and grass/range management.
3. Promote and support cattle care research and awareness.

Ecosystem services are the benefits that society derives directly or indirectly from healthy functioning ecosystems, including air, water, soil and biodiversity. The CCA has been working towards attaining societal recognition of stewardship practices that provide ecosystem services from beef cattle

operations. The mission is to enhance existing and to develop new sources of revenue that will recognize and improve the management of ecological services, thereby supporting ecologically and economically sustainable beef production. Some progress has been made in this area through the stewardship approach taken by the recently Gazetted emergency order for the endangered Greater-Sage Grouse however this is a relatively new direction for Canada and the CCA. We hope to see forward growth in this area over the next few years specifically with the National Conservation Plan.

The Environmental Stewardship Award (TESA) continues to be a foundational program for the CCA celebrating the environmental stewardship of beef Canada's beef cattle producers. This year the award program had excellent candidates from across the country. The award was given to Allen and Lillian Patkau from Hanley, Saskatchewan. You can read more about them on page 15.

The CCA continues to participate and help lead international discussions on environmental improvements in the livestock sector. The CCA participates in the Global Roundtable for Sustainable Beef, the International Meat Secretariat and the Global Agenda for Action.

The CCA is a foundation member of the Canadian Forage and Grassland Association. The CFGA has hired a new Executive Director, Ron Pidskalny, as Wayne Digby has retired. This year they have also secured partnerships with New Holland and with Farm Business Communications. They have been focusing energy on inoculant availability for forage legumes other than alfalfa, establishing an environment committee and communicating with the Government the forage industry constraints such as the future of forage breeding, agronomy and management research within Agriculture and Agri-Food Canada.

**Committee Members:** Lynn Grant, Chair; Bob Lowe, Vice-Chair; George Smith, Heinz Reimer, Pat Hayes, Reg Schellenberg, Joe Hill, Jennifer MacDonald, Martin Rossmann, Cathy Sharp, Pat Rutledge, Tyson Lowe, YCC ex-officio. CCA staff: Fawn Jackson.

## Foreign Trade Committee

# committee reports

*The Foreign Trade Committee works to ensure favourable access to international markets for the Canadian beef industry and prevent exposure to unfair competition or dumping into the Canadian market, with a top-priority focus on eliminating programs, measures and subsidies that distort world trade.*

### United States

The mandatory Country of Origin Labeling (COOL) issue has continued to evolve and is being pursued by Canadian Cattlemen's Association (CCA) on a number of tracks. Instead of the United States (U.S.) Congress bringing the COOL legislation into World Trade Organization (WTO) compliance by the May 23 deadline, the U.S. Department of Agriculture (USDA) amended the regulation. The effect is an increase in the need for U.S. feedlots and packers to segregate imported cattle and, of course, an increase in the associated costs. While the final amended rule went into effect on May 23, the USDA announced it would not commence enforcement at retail outlets until late November. To clear out the supply chain, Tyson Foods announced in October that they would no longer be procuring any Canadian fed cattle.

In light of this, the Government of Canada informed the WTO that the U.S. has failed to comply with the WTO Dispute Settlement Panel's and Appellate Body's rulings. In September, the Dispute Settlement Body established a Compliance Panel which will be composed of the same panelists that originally ruled COOL violates the U.S.'s WTO obligations. Written briefings took place through the fall of 2013 and will be followed by an oral hearing in Geneva, Switzerland in February 2014. The CCA is confident that the WTO will find the U.S. regulatory amendment to be insufficient and after such a ruling and subsequent appeal,

we expect the WTO to authorize Canada to impose retaliatory tariffs on U.S. exports. This process will likely take us to late 2014 and possibly 2015 before tariffs may actually be applied; however, even the threat of tariffs can start to have an effect on producers of the named products.

The CCA, together with the Canadian Pork Council and the Government of Canada, have spent much of 2013 explaining this process in the U.S. with the objective of motivating the U.S. to become interested in genuinely resolving the dispute. With the CCA's strong support and encouragement, in early June the Government of Canada announced its intention to place tariffs on a specific list of U.S. exports when the WTO eventually authorizes retaliation. CCA has found this to be effective in that the potential for retaliation has been on the minds of U.S. Congressmen and Senators.

In the meantime, the CCA has joined the National Cattlemen's Beef Association (NCBA) and a number of other U.S. groups in seeking an injunction against USDA's May 23 regulatory amendment. The legal justification is threefold in that 1) the rule exceeds the COOL statutory authority; 2) the USDA did not follow the proper rulemaking procedure; and 3) the rule violates the U.S. Constitution's guarantee of freedom of speech. A hearing for a preliminary injunction was held in August and denied by the Court in September. On January 9, 2014, a hearing took place to appeal the denial of the preliminary injunction. We are awaiting a decision in that matter.

On the BSE front, the U.S. was upgraded to negligible risk status at the annual World Organisation for Animal Health (OIE) meeting in May 2013. This should not negatively affect the access that Canada currently experiences. In fact, it is noteworthy that the OIE recognized the U.S. status while the U.S. imports over-thirty-month (OTM) cattle and beef from Canada. Nevertheless, the U.S. has been seeking to capitalize on this status by making formal requests for its trading partners to accept U.S. OTM beef if they do not already do so.

Of course, as the U.S. asks other countries to recognize its BSE status, those other countries have often noted that the U.S. has not modernized its own BSE classification regulations governing imports into its own country. The USDA finally rectified that in November 2013 by publishing its final regulation implementing the new classification system adopted by the OIE in 2005. With this rule in place, we expect the U.S. to begin recognizing the OIE's risk classification of several countries as early as February 2014, however, for many countries, the U.S. will likely choose to conduct its own review before confirming the OIE's classification.

*One of the most positive developments of 2013 was the substantive conclusion of CETA.*

### European Union

One of the most positive developments of 2013 was the substantive conclusion of the negotiations for a Canada-Europe Comprehensive Economic and Trade Agreement (CETA). On October 18, 2013, Prime Minister Stephen Harper and European Union (EU) President Barroso signed an Agreement in Principle on the final negotiated outcomes. CCA Director of Government and International Relations, John Masswohl, was invited on short notice to travel with Prime Minister Harper to witness the signing and on October 29, CCA President Martin Unrau and Executive Vice President Dennis Laycraft were invited to witness the Prime Minister tabling the CETA document in Parliament.

Although much work remains to implement the CETA, it will create new duty free access for nearly 65,000 tonnes of Canadian beef. Furthermore, the current 48,200 tonne duty free quota that we share with other countries will continue to exist, although it will be adjusted down to 45,000 tonnes once the CETA is implemented.



# committee reports

Perhaps one of the most important elements of the agreement is a commitment to resolve longstanding technical barriers that have prevented the EU from approving Canada's main packing plants to export to the EU. The expectation is that regulators will build on the February 2013 EU limited approval of lactic acid as an antimicrobial intervention during beef harvesting/processing and work towards full equivalency of our respective meat inspection systems by the end of 2014. Once this is achieved, the larger and medium-sized federally inspected Canadian beef packers can begin to develop the EU market and better utilize the current quotas that have gone under filled due to the technical barriers. In the meantime, the CCA has been very clear that we are conditioning our support for CETA on the achievement of genuinely trade facilitating technical conditions.

## Korea

On January 1, 2014, the third tariff cut on U.S. beef under the Korea-U.S. Free Trade Agreement (FTA) will come into effect. This means that in 2014, the Korean tariff on U.S. beef will be 32 percent (currently 34.6 %), while the tariff on Canadian beef remains at 40 per cent. The tariff differential has already made a significant impact on Korean beef imports from Canada, which averaged only approximately 200 tonnes per month in 2012 (March to December), and declined further in 2013.

The CCA has encouraged the Government of Canada to complete its negotiations to establish a Canada-Korea FTA to restore tariff parity for Canadian and U.S. beef in the Korean market as quickly as possible. In November, Korean interest in concluding an agreement suddenly returned as Korea would need Canada's (and other current TPP members') support to enter the TPP negotiations. In early December Korea and Australia announced they had reached a FTA. The agreement with Australia raises the stakes as another beef exporting country now has an agreement with Korea while Canada does not. The CCA has expressed the extreme urgency of reaching an agreement with the Government of Canada.

## Trans-Pacific Partnership

A great deal of progress has been made in 2013 toward reaching a potential Trans-Pacific Partnership (TPP) agreement, yet the difficult aspects of the negotiations remain. The addition of Japan to the TPP in July was a very positive addition to the potential value of an agreement.

By November, all TPP members except Japan had made market access offers on 95 per cent of their tariff lines. Japan has been given extra time due to their late entry in the negotiations, but they are expected to catch up quickly. The next step will be to achieve market access offers on 100 per cent of tariff lines and this is expected soon. However, it is fair to say that the quality of the offers leaves much to be desired at the present time and the hard work remaining will include ensuring that real market access is achieved.

TPP Trade Ministers met in Singapore in December to review progress. They acknowledged that the objective of reaching an agreement by the end of 2013 would not be achieved, but they re-committed to achieving a quality agreement in favour of a quick agreement. The Ministers plan to meet again in early 2014.

In terms of non-tariff matters such as non-compliance with existing international standards or creating new regional standards in circumstances where the existing multilateral standard setting bodies are too slow to recognize new technologies, it remains unclear whether the TPP will have the ambition to achieve anything in this area other than to affirm existing obligations under the WTO. If this is the case, it makes it all the more important to achieve a very ambitious market access package in the TPP.

## Japan

Japan implemented its revised regulations in February 2013 to increase the age limitation from 21 months so that Canada now has boneless and bone-in under-thirty-month (UTM) access. Also, the specified risk materials (SRM) regulations were revised to conform more closely with OIE guidelines and Canadian domestic practice. Although our



export volumes to Japan actually decreased for the first quarter of 2013 versus 2012 (reflecting some delayed orders pending the expansion of access) the overall results for 2013 were a significant increase over 2012. In 2012, beef exports to Japan totaled 11,305 tonnes valued at \$64 million down five per cent in volume and steady in value from 2011. In 2013, exports are projected to come in at 15,250 tonnes valued at \$75 million up 35 per cent in volume and 17 per cent in value. In 2014, exports are projected to reach 18,500 tonnes valued at \$90 million.

As already reported, the CCA was very pleased that Japan has formally joined the TPP. We note however that negotiations to reach a Canada-Japan bilateral free trade agreement continue and we are encouraging the Government of Canada to ensure that we utilize both negotiations to ensure duty free access for Canadian beef to Japan is achieved one way or the other. That said, we have observed that Japan appeared to be putting more energy into their TPP effort over the last half of 2013 and at year's end, market access offers had not yet been exchanged in the bilateral process.

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**Committee Members:** Dave Solverson, Chair; Lary Fossum, Larry Delver, John Schooten, Pat Rutledge, Rob Somerville, Cathy Sharp, Bob Gordanier, Tom Wilson, Brent Griffin, Ivan Johnson, Ted Artz, Travis Toews, Eric Buyer, YCC ex-officio; Byron Templeton (CBBC).  
CCA staff: John Masswohl, Mark Klassen, Dennis Laycraft.

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## Value Creation and Competitiveness Committee

*The mandate of the Value Creation and Competitiveness Committee is to seek out technologies, goods or services that create a more profitable business climate from birth to processing. The committee reviews issues related to competitiveness and adding value within the beef production chain.*



### Active Issues of 2013:

- Following progress of electronic grading of beef carcasses, with the use of a carcass camera that has the ability to track carcass measurements beyond yield and grade. A portable unit designed for use by smaller beef plants is under assessment.
- Advocacy for the need to address labour shortages with Federal Government departments, and support for the work of a national all-sector Labour Task Force. The report provided to Agriculture and Agri-Food Minister Gerry Ritz in fall of 2013 outlines key changes and enhancements to temporary foreign worker and immigrant nominee programs required by the agri-food sector. This remains a critical issue, and continual support is required to ensure the public understands the need and misperceptions are addressed.

- Monitoring carcass research results for irradiation, mechanical tenderization of meat cuts, and potential use of camera technology for tenderness and dark cutters.
- CCA's irradiation petition was granted priority and expedited handling status for ground beef.
- The project to determine safe internal temperatures for mechanically tenderized cuts showed that steak flipped at least twice on the BBQ is safe to eat, at an internal temperature of 63°C or medium rare.
- Periodic Health Canada/Veterinary Drug Directorate drug approval reform updates, which includes potential changes to the Own-Use Importation provision.
- Update on the *E. coli* 0157 recall communications review which has identified improved collaboration with Public Health Agency of Canada, Canadian Food Inspection Agency and objective third party experts as part of a strategy. The risk of an over-reaction by inspection authorities was also identified.
- Support for development of on-farm modules for biosecurity, animal care and environmental stewardship to be added to the Verified Beef Production™ program.

Issues that continue to be monitored include Canadian Cattle Identification Agency's tag retention study, and the need to overcome a misperception that a universal tagger exists. Updates from the Canadian Beef Grading Agency, BIXS, the Cattlemen's Young Leaders program, and the new Beef Advocacy Canada online training program is also an on-going activity.

Board members and cattle industry representatives are encouraged to forward ideas and issues for discussion and assessment by this committee. This committee serves to continually identify industry priorities and effect change through other committees, agencies and identified initiatives.

**Committee Members:** Dan Darling, Chair; Cathy Sharp, Vice-Chair; Ramona Blyth, Brent Griffin, Tom Wilson, George Smith, Rob Somerville, Howard Bekkering, John Schooten, Jennifer MacDonald, Brodie Haugan, YCC ex-officio; Allan Marshall (CBBC), CCA Staff: Terry Grajczyk, Mark Klassen, Larry Thomas.



## Working Together

# working together

### Beef InfoXchange System



'New Directions', the theme of the Canadian Cattlemen's Association (CCA) annual report, is an apt description of the Beef InfoXchange (BIXS) evolution process across the past year. Early in 2013, on the heels of a critical review of the system functionality and acceptance, the BIXS management team decided significant changes were needed.

Indeed, the team embraced a 'new direction.' Upon consultation with industry stakeholders the management team began a process of re-designing and re-building BIXS into a more user-friendly and relevant data exchange system for the Canadian beef industry. At time of writing producer volunteers were putting BIXS 2.0, the new version, to the test. Preliminary response has been very positive.

The first version of BIXS proved cumbersome to use and somewhat confusing for users based on feedback from participants. Import and export functionality was overly complex for the scale of the system, and integration with existing software systems proved to be a barrier to uptake. Still the initial version of BIXS proved to be a relatively quick system to get up and running and have carcass data moving across the beef supply chain linked to the Canadian Cattle Identification Agency (CCIA) RFID tag.



BIXS 2.0 is built on a completely different platform. It's smaller, faster, and easier to use yet maintains the power of collecting and exchanging the data users and stakeholders have indicated the industry needs to move across segments. Once fully launched BIXS 2 will house superior import-export functionality complete with the Beef Records Universal Translator (BRUT) utility, a tool enabling the integration of existing and evolving industry software systems with BIXS. Essentially, BRUT enables other software to 'speak BIXS'.

The initial release of BIXS 2.0 will be followed by a fairly rapid succession of releases with each adding in new and, in many cases, novel functionality. BIXS will start with a solid core of functions delivering identified benefits then expand based on demand. These near-term functions include the Sourcer Utility enabling any registered user of the system to launch a blind database query within BIXS based on very specific animal, health protocol and carcass parameters. 'Sourcers' get to see animal data, but not the animal owners' identification information. Subsequently, the 'Sourcer' can send blind e-mails to anonymous animal owners in the system. In turn the owner(s) decide whether to make contact with the Sourcer.

BIXS 2.0 is being built to effectively mesh with commercial software service firms and their products. It is anticipated that such BIXS Brand Partner agreements and similar agreements with several of these firms will help bolster uptake of BIXS.

*BIXS has been re-designed and re-built into a more user-friendly and relevant data exchange system for the Canadian beef industry.*

The success of BIXS 2.0 hinges on significantly increasing registrations and animal data entries into BIXS. By making it quicker and easier to get registered and improving the options and ease of entering and retrieving data with BIXS, the prospects look positive going forward.

For more information, please visit the BIXS website at [www.bixs.cattle.ca](http://www.bixs.cattle.ca)



## Canada Beef



Canada Beef's mandate is to promote and market beef and beef products, which the staff and board of directors take seriously. Canada Beef works to bring loyalty to the brand through alignment with committed partners that delivers a return on investment.

The board set three priorities for fiscal year 2012-13, including an in-depth investigation of structure and representation of the board. The second goal was to have the finance committee create a plan that focuses on Canada Beef programs and actual, measured return on investment (ROI).

Lastly, the board sought to work with provinces that have issues with levy collection, and jurisdictions that claw-back portions of the levy.

### Highlights of the past year included:

- Development of an Asian and Hispanic Hub model, which allows Canada Beef greater flexibility when working in those market regions;
- Increased access to Japan with their approval of beef under 30 months – provides the marketing team greater flexibility with increased supply;
- A growing list of industry partners around the world who have made a strong commitment to Canadian beef;
- Continual improvement of communication and outreach to our stakeholders;
- Building of the Canadian Beef Story.

Canada Beef's three-year corporate strategy was the result of input from a diverse group of industry and government stakeholders. It guides the organization through business planning each year and has enabled the development of two key programs - the Market Development Program (MDP) and the Market Outreach Initiative (MOI). There are currently more than 150 brand license partners, 31 of which are in the United States, and another eight international licensees.

# working together

Canada Beef's attention to value and targeting key and priority markets (and market segments) is beginning to pay dividends. Continually evaluating where and with whom we do business allows Canada Beef to determine where the highest value and greatest ROI resides.

Moving forward into fiscal 2013-14, progress has been made on a number of fronts. The Canada Beef board will be requesting the addition of two member-at-large seats to be included in the Farm Products Council of Canada proclamation to allow directors to be nominated and elected by Forum delegates. The two current at-large seats have been designated to Prince Edward Island and Nova Scotia allowing for all provinces to have equal representation.

The Performance Measurement Framework adopted by Canada Beef was developed based on the recommendations provided at the Beef Industry Value Chain Roundtable. The recommendations included the use of short and medium term results indicators, as well as one longer term, five-year result based on ROI as a sole indicator of success.

*Canada Beef is responsible for the collection of the National Levy and all the legislation arising from the proclamation.*

Secure funding for the producers' national marketing and promotion organization is the responsibility of the board, whose job description under the governance manual is to "serve and protect." With the Legacy Fund coming to an end in 2015, Canada Beef must ensure other sources of funding are secure.

There is an opportunity for improvement in some provinces, which are currently 'clawing-back' or 'withholding' check-off dollars for provincial marketing, promotion and research



programs. Even though this practise is permitted in the National Check-Off Agency (NCOA) legislation, it may not be administered as well as it ought to be. This is an issue that the Canada Beef Board of Directors has wanted to address in the past, and now that the merger is complete the board will turn its focus to this area.

Canada Beef is responsible for the collection of the National Levy and all the legislation arising from the proclamation. National representation (a set from every province) allowed Canada Beef to pursue the primary goal of the board, the Import Levies Order, which became a reality in June 2013. The levy brings logistical challenges with it that Canada Beef, and beef importers, are working towards resolving.

Canada Beef is proud of this historic agreement as beef and beef products are the first agricultural product to be allowed to collect this levy.

It is a privilege to serve as the chair of the board for the Beef Cattle Research and Market Development Agency operating as Canada Beef. The board of directors and I look forward to another successful year for the Canadian beef industry.

Chuck MacLean  
Chair, Canada Beef

For more information, please visit the Canada Beef website at  
[www.canadabeef.ca/producer](http://www.canadabeef.ca/producer)



## Canadian Beef Breeds Council



### Our Vision

*To provide a unified voice in support of the purebred genetics provided with the Canadian beef cattle industry.*

### Our Mission

*To ensure the continuity, growth and prosperity of the Canadian purebred cattle sector as an integral component of the Canadian beef cattle industry.*

On behalf of the membership and dedicated staff at the Canadian Beef Breeds Council, we are pleased to present our briefing report to the Canadian Cattlemen's Association (CCA).

The Council (CBBC) also extends its sincere appreciation to both the Federal Government of Canada (through Agriculture and Agri-Food Canada) and the Provincial Government of Alberta in their continued support of the Canadian purebred beef cattle sector through the Legacy Fund. A recipient of Legacy funds since 2006, the Council continues to work with members and staff at the Canadian Cattlemen's Market Development Council (CCMDC), the CCA's administrative body for the Legacy Fund.

The CBBC's renewed focus is to ensure recognized representation for the purebred beef cattle sector in the Canadian beef and cattle industry. The Council will continue to engage and work with both industry and governments at home and abroad to represent and promote pedigreed beef cattle genetics in Canada. As the recognized representative for the sector, the CBBC's renewed focus plays out in four main areas.

### A Focus on Legacy

In its ongoing efforts with the CCMDC, the CBBC has developed its three year international strategy including a 2013/14 Market Implementation Plan. This comprehensive strategic marketing

plan for the organization is developed annually through strategic planning of the membership to establish goals and priorities in export markets. As the sales and marketing association for the Canadian purebred beef cattle sector, Council members are tasked with executing sales, while both membership and staff focus on marketing and promotion of products and services.

The 2013/14 marketing plan identifies three key focuses: products and services; messaging; and key markets. The key markets are further defined as traditional markets, existing markets, new markets and emerging markets. Together these various elements comprise the Council's 2013/14 plan.

*The 2013/14 marketing plan identifies the key areas of focus: products & services, messaging and key markets.*

### A Focus on Domestic Awareness and Collaboration

Another key focus for the Council will be its collaboration with Canada Beef Inc (CBI). Both organizations recognize the importance of the other in a sustainable and successful beef supply chain in Canada. In essence, the purebred beef cattle sector in Canada is the genetic foundation for the beef processing sector. This importance is also recognized in international markets as well as by other beef trading nations around the world. Regardless of the product, which is being exported, a supply chain that works together is of fundamental importance to success. Further evidence of this importance is again recognized in the strategic marketing plans of both the CBBC and CBI.

### A Focus on the Beef Value Chain and Market Development

The importance of the purebred sector in the beef supply chain in Canada also plays



out in another key focus for the CBBC, the commercial cattle sector. While a focus on the commercial cattle sector is outside the current mandate of the Legacy Fund, it is no less important in the sustainability of the purebred cattle sector in Canada. The Council recognizes the importance of the commercial cattle sector through its representation, advertising, as well as the many programs it supports.

### A Focus on Value and Capacity Building

The Council recognizes that value can be created and maintained through consistently delivering quality products and services. Rather than focusing on volume, we are pursuing opportunities that generate the highest value for Canadian producers. The CBBC is appreciative of the opportunity to share its briefing report to the CCA.

Respectfully submitted,

Michael Latimer  
Executive Director

For more information, please visit the CBBC website at [www.canadianbeefbreeds.com](http://www.canadianbeefbreeds.com)

## Canadian Cattle Identification Agency



### Industry Support

Canadian Cattle Identification Agency (CCIA) Chair Dr. Pat Burrage and General Manager Brian Caney have been networking and providing traceability presentations at various industry events over the summer months. They met with Alberta Beef Producers (ABP), Canadian Cattlemen's Association (CCA) and Ontario Cattlemen's Association (OCA) executive members and key personnel with Canadian Food Inspection Agency (CFIA) in Ottawa.

Attending these meetings enabled CCIA's Chair and General Manager to establish new relationships and build on existing relationships within industry and governments. Building and reaffirming these contacts has opened the door to further discussions, which will be critical to implementing the Cattle Implementation Plan and movement reporting successfully on a provincial, territorial and national basis.

CCIA's Chair and General Manager provided high level updates on Canadian Agri-Traceability Services (CATS) and the Tag Supply Chain Optimization Project (TSCOP) to industry audiences with a good understanding of and support for both of these projects.

### Tag Supply Chain Optimization Project

Through a rigorous Request for Proposal (RFP) process, CCIA has selected a turn-key vendor and Project Manager to help with the implementation of a single distribution system for tags in Canada.

CCIA legal counsel has redrafted and enhanced the current tag retailer/dealer agreement. The new agreement will state the regulations and expectations for approved tag retailers/dealers in Canada moving forward. In addition, the new agreement will include a registration administration fee for an annual licence to sell non-breed specific, approved CCIA Radio Frequency Identification (RFID) beef cattle tags in Canada. CCIA is implementing an e-commerce web site to support the

simple, quick and easy method of ordering tags via the Internet. The CCIA Board of Directors discussed the required system changes as well as various project start-up scenarios and approved the management team to proceed with Tag Supply Chain Optimization Project (TSCOP) pending the successful negotiation of the supply/service agreement with the turn-key vendor, which occurred in December.

### Canadian Agri-Traceability Services

The Canadian Agri-Traceability Services (CATS) has been incorporated and held its first board meeting on August 26, 2013.

Terry Kremeniuk (CCIA) was elected Chair; Norman Houle (ATQ), Vice Chair and Pierre Lemieux, (ATQ), Finance Chair. Darcy Eddleston, (CCIA) and John Stevenson (skills-based) are the other two current CATS board members.

CATS recruited the executive director role, which commenced at the end of September 2013. CATS submitted a funding application to Growing Forward 2 (GF2), and anticipates funding approval shortly.

### Tagging Sites

According to the revised *Health of Animals Act* regulation (s.183) which will come into force in 2014, CCIA will be responsible to provide an up-to-date tagging site list on the CCIA website at [www.canadaid.ca](http://www.canadaid.ca).

CCIA will send all existing tagging sites (i.e., on record) a form asking if they wish to remain a tagging site and to provide written authorization indicating they have met the CFIA regulatory requirements for tagging sites. This application form will be used to notify CCIA of a tagging site's status; it is not a vetting process for tagging site regulation compliance. CCIA will have a waiver of liability clause on the form to protect CCIA from responsibility related to workers/facilities/safety/data collection, if a tagging site is non-compliant.

### Tag Retention Project Committee

This committee has submitted a funding application for this five-year study to GF2 and anticipates an approval to continue this key

project shortly. This committee has retained a Project Manager, pending grant approval. This committee has informed this study's producer participants of the study's progress, what CCIA anticipates going forward with this project, and has encouraged them to continue participating for statistical relevance.

### Technical Advisory Committee

The updated *CCIA RFID Reader Testing and Performance Standards* document has been completed with two new readers approved using the new standard. CCIA continues to receive tag complaints with tag retention and



material deterioration as the major issues. CCIA staff helped coordinate the ISO WG3 meeting in April 2013 in Calgary, where the Standards Council of Canada hosted 40 international subject matter experts. CCIA continues to participate at the international ISO WG3 meetings.

### Cattle Implementation Plan

CCIA has implemented the National Premises Identification Look-up module and provinces/territories are supplying the CLTS database with active premises identification (PID) data regularly. The Saskatchewan Ministry of Agriculture is launching a provincial PID registry for the transition of the CLTS-generated PIDs to be replaced by new PIDs generated and validated by the new Saskatchewan system.

Plans to communicate the movement requirements of the Cattle Implementation Plan (CIP) to the larger industry community will be important for industry to gain a good understanding of the requirements prior to

working together



# working together



the regulations coming into force in January 2016.

## Group Movement Recording Technical Solution

As the CIP moves forward, a solution regarding how the animal movement data will be collected is required. The CCIA board suggested Agriculture and Agri-Food Canada (AAFC) take the lead toward the development of a technical working group to address the mechanics behind group movement recording and reporting.

The objective for this technical working group would be to determine and address how the movement data set will be collected; what the requirements for group movement in the CLTS and/or CATS database will be as well as costs.

CCIA's collaborative relationship with the Alberta and Saskatchewan governments continued to advance traceability support initiatives in the field by the Mobile Field Representatives (MFR) in Alberta and the Producer Support Representatives (PSR) in Saskatchewan. These highly-specialized technical field personnel have hands-on livestock expertise as cattle producers as well as thousands of hours of experience working on the Canadian Livestock Tracking System (CLTS) database and with traceability-related RFID technology. In 2013, CCIA field teams continued to work together with industry and governments fostering relationships and building on the

success of the existing traceability system by assisting and educating key industry players (producers, auction marts, industry groups, governments, etc.), through one-on-one interactive presentations and meeting attendance, via telephone or online support – delivering CCIA's full range of complimentary traceability-support services, including: PID registration, account information updates, age verification, import/export and animal movement reporting information delivery, as well as CLTS database-user training, etc. CCIA manages field support services in partnership with Alberta Agriculture and Rural Development and Saskatchewan Ministry of

Agriculture, and looks forward to providing technical expertise, support, applied research and customized training to livestock producers and other industry stakeholders in 2014.

## The Future

In 2014, CCIA will continue to advance the implementation and evolution of the national traceability system through collaborative and ongoing relationships with industry, provincial and federal governments and the Canadian Food Inspection Agency (CFIA). As a member of the Industry Government Advisory Committee (IGAC), discussions on traceability and collaborative processes with other service providers, CCIA is committed to discussing and working together on a multi-species national traceability system.

For more information, please visit the CCIA website at [www.canadaaid.ca](http://www.canadaaid.ca)

*The 2013/14 marketing plan identifies the key areas of focus: products & services, messaging and key markets.*

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# 2013 Leadership Development



*The Cattlemen's Young Leaders (CYL) Program provides industry-specific training and mentorship to assist the beef industry into the future. This program offers a combination of formal and informal opportunities to learn from beef cattle industry leaders and other youth organizations undertaking mentorship opportunities.*

**2013 CYL Semi Finalists**



Young producers between 18 and 35 years of age have a chance to participate in provincial, national and international high level discussions that define the direction and future of the Canadian cattle and beef industry. The CYL program provides participants with a chance to explore a potential career choice or involvement in provincial/national producer organizations, while gaining essential business connections and learning tools along the way.

The CYL program has been very successful with the help of its foundation partners: Canadian Cattlemen's Association (CCA), Alberta Livestock and Meat Agency (ALMA), Cargill, United Farmers of Alberta (UFA) and Meyers Norris Penny (MNP), and gold sponsors Farm Credit Canada (FCC) and New Holland. With the support of these sponsors and the overwhelming positive response from industry, the CYL program is continuing on and expanding to include more training and advocacy-focused events.

Earlier this year, CYL Step 2 was launched with support from ALMA and the rest of

the program partners. The CYL Step 2 initiative focusses specifically on three areas of training: governance, business skill development and succession planning, as well as advocacy efforts, and involves current and past CYLs. The CYL plans to work closely with Foundation Partners, Canada Beef Inc., Ag More Than Ever, McDonald's and other retailers to utilize these young and enthusiastic advocates in reaching society, specifically consumers.

CYL Step 2 will be the initial pilot group for the Beef Advocacy Canada program, which is currently under development by the CCA and Canada Beef. CYL Step 2 plans to promote Canada's beef industry through a variety of channels including but not limited to the following: Value Chain Roundtables, the Five Nations Beef Alliance projects, consumer trade shows, keynote speaking opportunities, video creation and execution, Twitter, blogs, Youtube and Facebook.

For more information, please visit the CYL website at [www.cattlemensyoungleaders.com](http://www.cattlemensyoungleaders.com)



# leadership development



*The mission of the Young Cattlemen's Council (YCC) will be to raise the knowledge and awareness of beef industry policy development amongst youth 18-35 in the industry through an opportunity for active involvement.*

## Young Cattlemen's Council



During the 2013 Canadian Cattlemen's Association (CCA) Annual General Meeting (AGM), the Young Cattlemen's Council (YCC) Terms of Reference (TOR) were approved for a one year term (to be reconsidered March 2014). The nine member council was launched in an open meeting in conjunction with the CCA Semi-Annual meeting on August 12th in London, Ontario. Six of the nine seats are appointed by the provincial member associations (Maritime provinces combined for one seat) and the remaining three seats are filled by an election with directors-at-large.

The YCC is created with two primary goals in mind. The council will give youth in the industry an opportunity to learn leadership skills through a direct opportunity for industry involvement. The council will bring the viewpoints of youth in the Canadian beef industry to the table of the leaders in industry policy development.

The council has been active on social media and has developed a Facebook page at [www.facebook.com/YCC.beef](http://www.facebook.com/YCC.beef) which has around 400 'Likes'. There is also a blog site at [www.yccbeefblog.wordpress.com](http://www.yccbeefblog.wordpress.com). The recent dual promotional campaign with CCA featuring council member Tyson Lowe has

received 4,602 views on Facebook and the recent environment promotion posted to the YCC Facebook page has received 6,852 views. YCC is also on Twitter at @YCCbeef. The council plans to gain membership through an active presence on social media, personal connections, and being present at the local and provincial association meetings and events. The council is currently constructing an online membership application so potential new members can easily join YCC. By collecting members' contact information, the YCC plans to expand its communication reach.

their respective CCA committee chairs and members as well as to absorb the industry's policy development and governance processes.

*The YCC will bring the viewpoints of youth to the table of leaders in industry policy development.*

*The YCC will give youth an opportunity to learn leadership skills through direct industry involvement.*

YCC hosts monthly council and committee calls to ensure that members are on track to meet desired timelines and goals. The YCC will attend the CCA 2014 AGM in Ottawa in March to build relationships with

During the CCA AGM, the YCC will host an open meeting. The open meeting will see reports from the various committees within the council who have been working diligently on proper governance, membership, communications and education on policy discussions at the CCA. Finally, the budget will be discussed and the proposed retooling of the sponsorship package. YCC is very proud to have New Holland as its Platinum Partner for the next three years.

For more information, please visit the YCC Facebook page at <https://www.facebook.com/YCC.beef>

## 2013 Provincial Association Reports

### B.C. Cattlemen's Association



#### New Governance Model

Under the British Columbia Cattlemen's Association (BCCA) newly adopted bylaws and governance structure ratified at the 2013 BCCA Annual General Meeting (AGM), all members of the BCCA Board and Standing Committees will be nominated and elected through the seven zones. Nominations will be held from November to January 31, 2014, followed by mail in ballot voting. The election results will be announced April 15. The BCCA is looking forward to moving the Association ahead under the new governance structure.

#### BC Beef Day

Since 2010, the B.C. Government has annually proclaimed 'BC Beef Day' as a way to celebrate and promote the beef industry in B.C. This year, BC Beef Day was July 24 during a rare summer sitting of the government following the May provincial government election. BCCA staff worked alongside Ministry of Agriculture staff to make all the arrangements for the day. Representatives from the BCCA travelled to Victoria to attend the BC Beef Day barbecue on the lawn of the B.C. legislature with nearly 500 elected officials, government employees, and general public in attendance.

BC Beef Day is also an opportunity to meet privately with a number of Ministers. This was particularly important because there were a number of newly appointed Ministers. Prior to the barbecue, BCCA representatives held meetings with the new Minister of Agriculture, Pat Pimm, returning Minister of Forests, Lands and Natural Resource Operations, Steve Thomson, new Minister of Transportation Todd Stone, new Minister of Aboriginal Relations, John Rustad, and new Minister of Jobs, Tourism and Skills Training, Shirley Bond. As in previous years, BCCA also made a presentation to the caucus outreach. On July 23, BCCA representatives also met with NDP critics for Agriculture and Environment.

#### Cattle Price Insurance Program

The BCCA has been actively advocating for a Cattle Price Insurance Program (CPIP) along with the other Western provinces. The four western provincial cattle organizations and the CCA sent a joint letter to their respective governments requesting that CPIP be available for all cattle producers in Western Canada. BCCA has had several opportunities to bring the CPIP forward with the provincial Minister of Agriculture and has received assurances from the Minister that the program will be available by the spring of 2014.

#### Land Stewardship

Access to Crown range through tenure is an important aspect of B.C.'s cattle industry. BCCA is looking at opportunities to increase the long term security of the industry through guaranteed long term access to Crown range land. BCCA has asked the government to increase the tenure terms of Grazing Licenses to 25 years and Grazing Leases to 29 years. The BCCA is hopeful that these recommendations will be implemented by the government, and has also asked the government to provide more opportunities for silvopasture projects in areas where forestry and cattle ranching co-exist. Silvopasture has proven to be a very workable solution. Recently, a silvopasture pilot project in the Okanagan won the 2013 Regional Premier's Award in the Partnership category. BCCA extends congratulations to the many partners involved in the project including the Ministry of Agriculture, Ministry of Forests, Lands and Natural Resource Operations and BCCA's Farmland-Riparian Interface Stewardship Program.

#### Kamloops Applied Grasslands Research Centre

The B.C. cattle industry is very concerned about the Federal Government's cuts to research facilities, especially the closure of the Kamloops Applied Research Station. The research station was an important facility for beef and grassland research in B.C. and with its closure research capacity in B.C. has been significantly impacted. Since the closure of the Kamloops Applied Grasslands Research Centre was announced in May, the BCCA has had several meetings and phone conversations with local MP Cathy McLeod.

In addition, BCCA has been working closely with other interested groups to see if there are opportunities to keep the centre operational on a provincial or local basis. It is a complicated process and much depends on the results of government's talks with local First Nations who have the first right of refusal on the federally owned property. BCCA's position is that research on provincial grasslands is essential to the future viability of B.C.'s beef industry and needs to be enhanced. The BCCA strongly believes that there are several other uses for the facility that would continue to benefit the industry and that those should be pursued as strategies to keep the station open.

*BCCA's position is that research on provincial grasslands is essential to the future viability of BC's beef industry.*

#### NStQ Treaty Negotiations

In early June the BCCA was contacted by the Province's Treaty negotiation team to inform us that they would be resuming negotiations on the NStQ treaty (Northern Secwepemc te Qelmuw Treaty) in the central part of B.C. The BCCA has met with the negotiating team twice by conference call and once in person. The BCCA is assisting in coordinating stakeholder participation throughout the process and ensuring that producers that may be potentially impacted by the agreement are kept informed. The Treaty process is expected to take between seven and ten years to complete.

#### Ag Waste Regulations

BCCA has been active in ensuring that cattle producers' concerns are raised on the Agricultural Waste Control Regulations being developed by the B.C. government. To date, the BCCA has participated in six initial consultation meetings on the development of the regulations. It is difficult to gauge how effective this participation has been until a draft of the regulations is released. This regulation



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seeks to eliminate environmental impacts from agricultural activities and could have severe implications for our industry.

## Water Modernization Act

In October, the B.C. government made public the legislative proposal for the Water Sustainability Act for comment. The process to develop the new legislation began in 2008, with industry and stakeholder consultations established in 2010 through a cross commodity Water Working Group. BCCA, through representatives on the Water Working Group, has actively advocated to ensure that the Act recognizes the importance of water for agriculture and livestock. While the BCCA is pleased with the proposal, it will continue its involvement through the development of the regulations.

## Dog vs. Rancher

In a ruling stemming back to an incident in 2011 where a rancher shot a neighbour's dog that was chasing her cattle, the court ruled in favour of the dog owner. As a result there are now questions as to how the *Livestock Act* deals with a rancher's ability to protect their livestock.



BCCA has discussed the possibility of updating the *Act* to make it clearer and to ensure that both the rancher and the legal community are able to interpret it correctly, so ranchers have the ability to protect their livestock and understand the parameters around what one can legally do. The BCCA is working with other farm organizations to clarify

the rights under the *Act*. Of note is that the court ruling is being appealed and hopefully will be overturned.

## Highway Fencing

The Highway and Railway Fencing Program, administered by BCCA, replaces antiquated fencing infrastructure on Schedule I & II highways and railway corridors throughout B.C. The BCCA is winding down another successful year of fencing on the highways. By the end of this construction year, approximately 300 km of fence lines to be upgraded. The highways are built to very high standards, with an estimated 30-35 year lifespan. The BCCA was able to include a couple of rail-line projects in 2013, and will continue to try to get as many of the fences included but the guidelines are fairly restrictive. The BCCA has started discussions with the Minister of Transportation to work towards expanding the program beyond its expiration date of 2016, and feels it is necessary to start early if there is any hope of getting more for the future.

BCCA has also spoken to the Minister about standards and inspections on new fences that are being built along with highway construction. The BCCA is urging the Minister to use the same standards and perhaps utilize BCCA to do the inspections to ensure quality.

## Premises ID

There has been a fairly poor uptake by the cattle industry in B.C. on registering premises. Other commodities have achieved the 90 per cent target whereas beef is at best around 20 per cent. The BCCA is working with the Ministry of Agriculture to find ways of supporting its producers in the registration process. The BCCA needs to see a lot more of the producers register in a timely manner, or this may become part of the requirements very quickly.

## Consumer Education and Marketing

BCCA's *Behind the Beef* consumer education program will reach the end of its funding by March 2014. The program has been an overwhelming success with an average of 85 events per month in a variety of grocery store chains across the province. The BCCA is looking at options to continue the program past the funding end date.

BCCA's *Video Messaging Project*, funded through the Ranching Task Force, will be completed by May 2014. The filming for the project wrapped up this fall and the BCCA is looking forward to having several videos that outline various aspects of the industry with a focus on animal care, environmental stewardship, food safety/quality and traceability. Videos will be used for consumer education, classrooms, trade shows, trade missions and special interest groups.

Other education and marketing activities in 2013 included the annual *Meet a Rancher* event that brought five ranching families in direct contact with consumers in 20 Save-On Foods stores in the Lower Mainland and Kelowna, sponsorship of the *Take a Bite of BC* program which supplies beef to secondary school culinary classrooms, and participation in a pilot project that delivered beef industry education to culinary classrooms. The pilot project was very successful and more classroom presentations will be delivered in January 2014.

## Trade

The BCCA sees great opportunities for its members from the expansion of international markets. BCCA has supported the Canadian Cattlemen's Association's (CCA) trade efforts in both the European Union and Korea. BCCA has been in discussions with the B.C. Minister of Agriculture to support the Canada-EU Comprehensive Economic and Trade Agreement (CETA) and also met with Minister James Moore to discuss the benefits of the CETA agreement to the industry. BCCA wrote to the B.C. Ministry of Agriculture and Premier asking them to support the Canada-Korea Free Trade Agreement.

The BCCA greatly appreciates the efforts and hard work of all CCA Directors and staff, as well as recognize and thank its dedicated CCA Directors, Lary Fossum and Martin Rossmann.

For more information, please visit the BCCA website at [www.cattlemen.bc.ca](http://www.cattlemen.bc.ca)

## Alberta Beef Producers



The fall is a busy and satisfying time on agricultural operations. This is the time when crops are harvested, calves are weaned, and the cattle herd is brought home from summer pastures. The fall is also a productive time for Alberta Beef Producers (ABP). The ABP talked to nearly 1,000 grass roots producers at its 23 fall meetings across the province, elected delegates in its nine zones, and compiled resolutions for the consideration of the delegates, directors, councils and committees.

ABP's fall work culminates in its Annual General Meeting (AGM) in Calgary at the beginning of December. The ABP had two good days of presentations, updates, elections, and delegate discussions of the ABP plan and the AGM resolutions. With three new directors and 13 directors returning, the ABP Board of Directors for the next year has a solid combination of experience and new perspectives. After two years of building relationships and providing thoughtful leadership to the organization, Doug Sawyer has moved to the Past Chair position on the Executive. The ABP is pleased to have Greg Bowie acclaimed as the new Chair, while Bob Lowe joined the Executive in the Vice-Chair position and John Buckley was re-elected as Finance Chair.

The theme of the ABP Annual Report this year was 'Overcoming Challenges' and for the industry the fall brought a broad mix of good and bad news. The Canadian beef industry is happy about the agreement in principle on a Comprehensive Economic and Trade Agreement (CETA) with the European Union (EU), but frustrated that efforts to delay the implementation of the new Mandatory Country of Origin Labeling (COOL) rule in the U.S. were not successful. There seems to be new momentum for a Canada-Korea Free Trade Agreement and

progress is being made on the Trans-Pacific Partnership (TPP).

The sale of the former Rancher's Beef plant near Balzac to Harmony Beef was completed at the end of November and there is hope that the plant will be in operation by next summer, bringing another buyer to the fed cattle market in Alberta.

*Alberta cattle producers will need clear signs of sustained profitability to give them the optimism to expand their cow herds.*

Prices were good for calves and feeder cattle this fall and the future prices for fed cattle stayed quite strong. There were excellent grain crops across most of the prairies this year and feed costs have come down considerably from last year. The Cattle Price Insurance Program (CPIP) has been working relatively well for Alberta producers and there likely will be action to have this program expanded across Western Canada this winter.

Despite these positive signs for the industry this fall, there were still a large number of cows going to market and no signs of a cow herd expansion coming any time soon. The declining cow herd is continuing to put pressure on the cattle feeding and processing sectors. It seems that the current market conditions and the outlook for future prosperity are not good enough to encourage producers to buy cows or retain more heifers.

Alberta cattle producers will need clear signs of sustained profitability to give them the optimism to expand their cow herds. Addressing this challenge has brought industry leaders together over the past year in the Straw Man process, an initiative intended to have the industry speak with one voice on a common strategy. Building on the work of the Straw Man team, ABP now has joined the Canadian Cattlemen's Association (CCA), Canada Beef Inc. (CBI), and other provincial and national cattle organizations in building the Canadian Beef Industry Plan, a national, long-range strategy for the industry that will be rolled out this spring.

After the very busy fall meetings and hectic preparations for the AGM, December gave the ABP a little time to gather its thoughts and look ahead to the challenges and opportunities that 2014 will bring to the beef industry. ABP is expecting that the next

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year will be a time of intense discussions about resource use in Alberta. While the use of energy resources may occupy most of the media and public interest, people in the agriculture sector will be closely watching developments with respect to the management of the land and water resources in Alberta. Cattle producers have a particularly strong stake in these discussions as the primary user of the grass and forage resources in Alberta. Land-use and water management decisions made this year could have profound impacts on the future of the cattle industry in this province.

ABP will be starting 2014 with a thorough review of the draft South Saskatchewan



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1. Giguère S, Huang R, Malinski TJ, Doré PM, Tessman RK & Somerville BA. Disposition of gamithromycin in plasma, pulmonary epithelial lining fluid, bronchoalveolar cells, and lung tissue in cattle. Am. J. Vet. Res. 72(3): 326-330 (2011).  
2. Based on label claims.  
3. See ZACTRAN MSDS.

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Regional Plan (SSRP). The SSRP covers a large area of southern Alberta that includes a wide range of landscape features and a great variety of rural and urban land uses, including a large percentage of the cattle feeding industry. The SSRP will be the second regional plan approved under the Land-use Framework, but the first plan covering an area with major agricultural activity. ABP encouraged producers to participate in the stakeholder and public consultations that were presented through November and will be submitting a detailed response to the draft SSRP that ABP hopes will reflect the interests and concerns of cattle producers.

There will be other priorities for the ABP staff members, councils, and committees to address in the coming year. As part of its long-standing commitment to improve

communications, the ABP has refreshed its website and will be ramping up efforts to make better use of electronic and social media communication. The ABP will be working with the Miistakis Institute on a project to assess the impact of wildlife damage on cattle operations in Alberta. The ABP research group will continue to support the Beef Science Cluster, while looking for areas where the organization can directly invest its limited funds and enhance the technology transfer efforts. In the third part of the Alberta Beef: Famous Taste Campaign, the ABP will be trying to broaden the geographic boundaries of the campaign and engage more retail and food service partners in promoting Alberta Beef.

ABP funding has been affected significantly by reduced cattle marketings, a problem

shared with our colleagues across the country. However, the organization is still able to be a strong and effective voice for the cattle and beef producers in Alberta. With solid leadership from the ABP Board of Directors and the commitment of its enthusiastic and dedicated staff, the ABP will continue to be proud of the work it does on behalf of its producers.

For more information, please visit the ABP website at [www.albertabeef.org](http://www.albertabeef.org)

## Saskatchewan Cattlemen's Association



The 2013 growing season started with excellent moisture conditions. While the rains stopped in mid-summer in many areas of the province, a good hay crop and solid grass production meant cows and calves generally came off summer pasture in excellent condition.

The year started off with the 2013 Saskatchewan Beef Industry Conference in Saskatoon, January 23-25, along with the Saskatchewan Cattlemen's Association (SCA) Annual General Meeting (AGM).

SCA directors and staff attended the Canadian Cattlemen's Association (CCA) 2013 AGM in Ottawa in March. Saskatchewan sends five representatives to the CCA.

Two-year reps are: Lynn Grant and Perry Rasmuson. Reps with one year left and up for re-election in 2014 include: Pat Hayes, Brent Griffin and Reg Schellenberg.

Saskatchewan reps chair a number of CCA committees, including: Schellenberg as chair of the Animal Care Committee; Hayes as chair of the Animal Health & Meat Inspection Committee; Grant as chair of the Environment Committee; and Tim Oleksyn as chair of the Beef Cattle Research Council.

In April 2013, the SCA held its second annual beef-on-a-bun meeting with Saskatchewan Members of the Legislative Assembly (MLAs). The event provided SCA directors and MLAs an opportunity for informal one-on-one discussions, a chance to meet MLAs and Ministers and to update the provincial politicians on current issues relevant to the Saskatchewan beef industry.

Along with the CCA AGM in March, missions to Ottawa through the past year included a May 'fly-in' and a CCA barbecue event at the Ottawa Conference Centre in November.

In all cases, CCA staff lined up meetings with Members of Parliament (MPs) and agriculture officials to help get SCA's message out and maintain contacts with important players in government. Topics of discussion included: mandatory Country of Origin Labeling (COOL); the Canada-EU Comprehensive Economic and Trade Agreement (CETA); forage and price insurance programs; the Temporary Foreign Workers Program; Prairie Farm Rehabilitation Administration (PFRA) pastures; research; and free trade negotiations with Korea.

Staff and directors also attended the CCA semi-annual meetings in London, Ontario in August.

*Research has  
been identified  
as a high priority  
for the SCA.*

Research has been identified as a high priority for the SCA. In the early part of 2013, SCA staff focused on developing a 'Saskatchewan Beef, Feed and Forage Industry Research Strategy' that was finalized in June and delivered to the provincial Ministry of Agriculture, to provide long-term direction to the government.

With the completion and acceptance of the research strategy, the SCA looks to the provincial and federal agriculture ministries to finalize their commitment to the relocation and construction of the new Beef Cattle Research and Teaching Unit at the University of Saskatchewan (U of S).

The SCA has committed to make a significant contribution to the new facility, as an expression of faith that the industry has in the importance of research to the future of the cattle business in Saskatchewan. The SCA Research Committee is playing an important role in these negotiations and the planning process of this venture, which will be a cornerstone of the Saskatchewan cattle industry for decades to come.

As well, the establishment of Forage Research Chair positions was identified as a high priority to address the need to increase forage research capacity, coordination and collaboration. The SCA also supports the collaboration of forage industry stakeholders to develop a Forage Network which will address forage research challenges in Saskatchewan. In June 2013, the federal and provincial ministers of agriculture announced joint support for the establishment of a new Forage Research Chair at the U of S in Saskatoon, to develop new forage varieties. They committed \$1.25 million over five years for the new chair.

The SCA has met with the provincial ministry of agriculture to encourage funding to establish a second forage research chair in the province, focused on forage management and utilization improvements.

In June, the Saskatchewan Stock Growers Association (SSGA) held its 100th annual meeting and convention. The SCA was involved and it was a successful event to honour the long history of the organization. The SCA trade show display was used at a range of events in the past year, including the Sask Beef Industry Conference and SCA AGM in January in Saskatoon, Gardenscape in Saskatoon in March, the Tisdale Rodeo and Trade Show in April, SSGA 100th anniversary in Moose Jaw, the Farm Progress Show in Regina and Swift Current Frontier Days in June, the Bath and Kitchen Expressions show in Saskatoon in October and Agribition in





# provincial reports

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November. At the September Canada Beef Inc. (CBI) Fall Forum held in Calgary, Jack Hextall, Saskatchewan director on the CBI board, was appointed chair of the finance committee.

District meetings ran from October 21-28, 2013. No elections were necessary. Rick Toney in District 4 and Michael Spratt in District 7 were uncontested in their districts. In 3A, where SCA Chair Mark Elford was stepping down, Laurie Disney from Rockglen was acclaimed. Ryan Beierbach in District 1 and Dean Moore in District 9B were appointed and in District 6, where Howard Toews chose not to run again, the board is in the process of identifying a suitable candidate.

At Agribition, the SCA hosted a 'Beef Industry Reception' on Thursday night, providing beef on a bun for more than 250 people. The provincial Agriculture Minister brought greetings from the province, then spent the rest of the night visiting with cattle producers. The provincial government is opening 'The Provincial Lands Act' and SCA has been asked to participate in the review of the legislation. The SCA plans to contribute to the review, as there are issues regarding land leases and other regulations of interest to

cattle producers that could have a significant impact on the cattle industry.

### Committees

SCA directors and staff have worked with producer, industry and government groups and staff on a wide range of issues through 2013. Current SCA committees include: Animal Health, Environment, Research, Audit and Finance, Communications, Sask Beef Industry Development Fund, Governance and a Traceability Working Group, along with two Working Groups recently added – the Prairie Farm Rehabilitation Administration (PFRA) Pasture Working Group and the Assurance Fund Working Group.

### Some of the issues committees worked on include:

**Animal Health** – BSE surveillance, to encourage testing more Saskatchewan animals; Beef Cattle Code of Practice; changes to federally reportable diseases; cross border livestock health, at the Pacific Northwest Economic Region Summit.

**Communications** – The SCA made an effort to increase media contact in 2013. Meetings were arranged with the editorial boards of the Regina Leader Post and the Saskatoon

Star Phoenix. In both cases, SCA staff and directors stayed longer than originally planned, with positive discussions held and relationships built. SCA also held its first Media Tour, with members of the television, radio and print media attending a day long visit to a cow-calf operation, feedlot and beef research facility.

**Environment** – South of the Divide meeting dealing with species at risk; Clean Farms dealing with recycling plastics, such as grain/silage bags, twine; animal predation; PFRA pasture divestiture; carbon sequestration in grasslands.

**Research** – developing the 'Saskatchewan Beef, Feed and Forage Industry Research Strategy'; working with the Saskatchewan Forage Council and the Saskatchewan Forage Network; the Beef Cattle Research and Teaching Unit at the U of S. SCA now has two directors involved on the advisory board at the Western Beef Development Centre. Rick Toney is stepping down, with Ryan Sommerfeld and Levi Hull from SCA moving onto the advisory board.

**Traceability Working Group** – working with the Canadian Cattle Identification Agency (CCIA); Premises ID – adapting Alberta's Livestock Identification Services system to Saskatchewan. The SCA set up an 'Assurance Fund Working Group' to look into developing a Cattle Assurance Fund in Saskatchewan, similar to those operating in Alberta and Ontario.

Craig Douglas is chief executive officer for the association. Barb Larson is policy analyst and Bill Strautman is the communications specialist. In March, Sandra Harp was hired as executive administrator and Patty Englund joined the team as project manager in June.

For more information, please visit the SCA website at [www.saskbeef.com](http://www.saskbeef.com)

## Manitoba Beef Producers



Throughout 2013, Manitoba Beef Producers (MBP) continued to work with governments and other stakeholders on a range of initiatives aimed at reducing risk and increasing producer and industry resiliency.

### Business Risk Management Programs

Considerable progress has been made toward achieving improved business risk management (BRM) programs for Manitoba's beef producers.

MBP applauds the federal and provincial governments for the introduction in October of a new suite of forage programs under AgrilInsurance, that will take effect in 2014.

Enhancements to Manitoba's forage insurance program include increased flexibility in the level of coverage, individual coverage rather than a regional approach, differentiated coverage for different forages and mixes, and a disaster component. Like crop insurance, a portion of the premium costs will be paid by the Federal and Provincial governments.

MBP had been seeking changes like these for several years. For example, low up-take on programs like pasture insurance was indicative of their lack of responsiveness to producers' needs. Beef producers require strong, bankable risk mitigation tools and the forage insurance program revisions should prove valuable.

MBP also welcomed the renewed commitment to livestock price insurance in the Manitoba government's fall Throne Speech. It is hoped program details will be announced in early 2014. MBP appreciates all governments' efforts to introduce this important program.

The introduction of a livestock price insurance program – coupled with the revamped forage insurance programs – will provide Manitoba's beef producers with access to an improved suite of BRM programs that will be very beneficial to our beef industry.

### Growing Forward 2 Programs

After a slow start, most of Manitoba's Growing Forward 2 (GF2) programs were announced by year's end. Key among these was support for the Verified Beef Production™ (VBP) Program. MBP fought hard to achieve this. MBP will continue to deliver both VBP and biosecurity workshops, and looks forward to new modules being added to the VBP Program.

There is also GF2 support for Ecological Goods and Services (EG&S) programming, with up to \$750,000 being provided in 2013/14 to help implement BMPs focus on water quality. However, individual producers cannot apply directly to this program for BMP funding. Instead, the funding flows to Conservation Districts (CDs) who will work with producers to implement the BMPs. Participating producers do not have to cost share on eligible projects but need to obtain a valid Environmental Farm Program Statement of Completion. Examples of eligible practices which may be funded include: alternative watering systems to manage livestock (only riparian pastures are eligible); establishment of forages for buffers; native rangeland restoration or establishment; and, construction of water retention structures to reduce the risk of flooding and drought and for nutrient recovery.

MBP would have preferred if producers had been given direct access to this program funding. The association will continue to provide input to governments about future EG&S programming to ensure it delivers maximum benefits for both producers and governments.

### Community Pastures

Ensuring a smooth transition as the federal government divests itself of the Community Pasture Program remains a MBP priority.

MBP has been working with governments on this file, as well as the steering committee formed by MBP and the local pastures' Producer Advisory Committees (PAC). The latter recommended the creation of the Association of Manitoba Community Pastures (AMCP) to help oversee pasture management. A revised business plan was presented to governments over the summer. The goal is to ensure the transfer of all former Prairie Farm Rehabilitation Administration

(PFRA) pastures to the AMCP. The model would ensure the pasture program functions essentially as it had been operating.

The business plan is built on a number of assumptions around the availability of transition funding, payment of education property taxes, inventory and equipment needs, and staffing. MBP has requested these questions be answered as swiftly as possible so the new management plan can roll out in time for the 2014 pasture season.

While outstanding issues remain, MBP believes progress is being made. Manitoba's Agriculture Minister has spoken publicly about his commitment to the pasture program. Preserving the program would provide substantial economic and environmental benefits to producers and Manitobans alike and it is important that it continue.

### Animal Health

Efforts continue to eradicate bovine tuberculosis (TB) in Manitoba and to reduce both the financial burden and competitive disadvantage at which it places our beef producers.

Dr. Allan Preston has completed his first year as TB Coordinator. He operates at arms-length from federal and provincial government departments and communicates directly to Ministers. MBP is pleased the federal government is supporting this position for another year as we believe enhanced coordination is required if the goal of TB eradication is to be achieved.

MBP has received funding under GF2 for a project in the Riding Mountain Eradication Area. The proposed project could help better monitor and manage the disease. The program will build a new traceability tool, based upon the existing Canadian Livestock Traceability System, to better utilize slaughter-house monitoring data to help gain international acceptance of a 'TB Free' status for Manitoba.

Through work done with the Canadian Food Inspection Agency the program will develop new risk assessment tools. These tools will not only help assess the risk of the spread of TB, they will encourage producer adoption of BMPs and biosecurity practices.



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MBP recognizes that producers' support is conditional on all parties meeting the commitments and obligations outlined in the TB Management Plan. The plan must be properly resourced and all stakeholders must carry through and meet their obligations in order to meet the goal of TB eradication. MBP has made these concerns known to both levels of government.

MBP continues to co-chair Manitoba's Livestock Predation Protection Working Group (LPPWG). MBP sought the creation of this multi-stakeholder group aimed at reducing the risk of predation and the costly losses associated with it. Participants include provincial departments and agencies, Agriculture and Agri-Food Canada (AAFC), other livestock groups and the Manitoba Trappers Association.

In the fall, the LPPWG hosted six predator workshops in southern Manitoba. Methods to reduce the risk of predation were reviewed, feedback was sought on what is or isn't working, and producers got acquainted with trappers' services. The LPPWG will continue to explore new tools and strategies to help reduce the risk of predation.

Manitoba Hydro will be building several new transmission lines over the next few years. MBP met with Hydro officials in the fall to discuss the importance of Hydro and its contractors adhering to sound biosecurity policies. MBP provided detailed information about beef industry biosecurity policies and continues to provide input. Similar concerns have been shared with Manitoba Workplace Safety and Health as their staff conduct on farm visits.

## Manitoba Cattle Enhancement Council

In March 2006, the Manitoba government announced the creation of the Manitoba Cattle Enhancement Council (MCEC). Collection of the \$2/head cattle levy began September 1, 2006. The stated purpose of the MCEC and the levy was to create a slaughter enhancement fund aimed at building locally-owned slaughter capacity in the wake of the BSE crisis.

On August 30, 2013, the Farm Products Marketing Council – upon a recommendation

of the MCEC – announced that levy collection would cease September 1. MBP supports this decision.

From inception to the end of December 2012, the MCEC collected more than \$8 million from beef producers and refunded over \$2.4 million. Operating expenses topped \$3.3 million. Approximately \$4 million was also committed to MCEC from the Government of Manitoba in matching funding from 2006 to 2011.

MCEC made financial commitments to several initiatives which had varied degrees of success. However, a frequently promoted slaughter plant for Winnipeg was never realized and the proposed site is vacant.

*Throughout 2013,  
MBP continued to work  
on initiatives aimed  
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and industry resiliency.*

Manitoba's beef producers called for the levy's end through resolutions at MBP's district meetings and annual general meetings. MBP made this request known to the provincial government. MBP believes it is time to close this chapter in Manitoba's beef sector and to move forward on key priority issues.

MBP is seeking a transparent and orderly wind down of the MCEC, including a detailed accounting of how producers' monies were spent.

## Looking Ahead

Many files will keep MBP directors and staff engaged in 2014. The following are just a few.

MBP is exploring the potential development of a forage-beef evaluation and knowledge transfer farm. There are three basic objectives of the proposed Farm:

- Demonstration and evaluation of foundational research; and
- Knowledge transfer to the general public, policy makers and the media.

The purpose of the Farm would be to demonstrate to Manitoba producers advances in BMPs, building upon existing sustainable beef production practices. This will help build industry capacity and increase productivity and profitability for our beef producers.

BMPs utilized on the Farm will be developed through research being conducted across Canada at public institutions such as universities and AAFC research centres, as well as private facilities. MBP is currently finalizing a business plan for the Farm that will include government, academic institutions and private partners.

The Manitoba government is expected to introduce a ban on the cosmetic application of pesticides. MBP has several concerns, including the potential for the spread of noxious weeds and invasive species from urban areas. MBP believes such policies must be science-based and will provide additional feedback when the bill is introduced. Changes may also be introduced to Manitoba's *Noxious Weeds Act*.

A long-awaited surface water management strategy is expected from the provincial government. Water issues have proven extremely problematic for Manitoba's beef industry over the past several years. There are still outstanding matters related to the 2011 flood, including compensation, forage and land restoration and the need for long-term mitigation strategies. MBP will continue to seek to have these resolved.

MBP is also participating in a multi-stakeholder group looking at how water is managed in the Assiniboine River Basin and whether it can be done more effectively.

For more information, please visit the MBP website at [www.mbbeef.ca](http://www.mbbeef.ca)

- Knowledge transfer to producers to help build industry capacity;

## Beef Farmers of Ontario



October 15, 2013 marked an important milestone for the association as it assumed a new name, the Beef Farmers of Ontario (BFO), following a constitutional amendment that was presented and passed by all voting delegates at the Annual General Meeting in February of 2013. With a new logo finalized in June, the process of re-branding began to include updates to corporate identity materials, resources, promotional items, social media presence and a new website viewable at [www.ontariobeef.com](http://www.ontariobeef.com). The BFO acknowledges the history, values and vision that has been built upon by the leadership and membership of the association over the last 51 years, and looks forward to a new era with the opportunity to further strengthen its leadership capacity on behalf of its membership and within Ontario's beef industry.

The BFO continues to be involved in a number of initiatives focused on improving the longevity and success of operations throughout the entire Ontario beef value chain.

### Government Relations

After much anticipation, the province experienced a change in leadership in early 2013. In Ontario, the BFO welcomed Premier Kathleen Wynne not only as the Leader of the province, but also as the new Minister of Agriculture and Food - a unique opportunity for the agricultural landscape. BFO met with the Premier and her staff on several occasions and appreciates their eagerness in developing solutions for the betterment of the industry.

Recognized as one of the most highly anticipated events at Queen's Park, BFO's Board of Directors were in Toronto in late May for the Annual Queen's Park Barbecue held on the south lawn of the Ontario Legislature. This year marked a special anniversary for the association as it celebrated its tenth year of hosting the popular event. The first barbecue, initiated in 2003, was a way of thanking politicians for their support during the BSE crisis and it has continued over the last decade as a valuable opportunity for

meaningful conversation with Members of Provincial Parliament (MPPs) and their staff and to showcase the outstanding beef produced by hardworking Ontario beef farmers.

In dialogue with MPPs, the BFO continues to advocate for improvements to the competitiveness and profitability for Ontario beef farmers including its confidence in Ontario's Risk Management Insurance Program as a valuable tool for the entire industry, the importance of building beef research capacity in the province, and improving programs that encourage the next generation of beef farmers to enter the business or carry on the family operation.

*The BFO continues to be involved in a number of initiatives focused on improving the longevity and success of operations throughout the entire Ontario beef value chain.*



On a national level, when the United States failed to comply with the World Trade Organization's (WTO) deadline to bring the U.S. Country of Origin Labeling (COOL) requirements into compliance with the U.S.'s international obligations and eliminate the discrimination against imported livestock, the BFO sent a formal request to all 73 Ontario Members of Parliament (MPs) on behalf of its membership urging the Government of Canada to fight COOL until the discrimination is eliminated.

In addition to lobby efforts regarding COOL, BFO Directors and staff were in Ottawa in late November to discuss the much publicized and debated pollinator bee health issue with MPs and members of Senate. Industry is doing its part to help address this issue and improve the health of pollinators, but as



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it was expressed to federal representatives in Ottawa, until the full body of scientific evidence is available, calls to ban use of this important seed treatment would be premature and extremely costly to farmers. BFO representatives made sure MPs and Senators were aware of the fact that neonicotinoids have been used as an effective seed treatment for over a decade across North America and that it is absolutely critical that all risks be examined before any decision on the future use of neonicotinoids is made.

## Ontario's Risk Management Insurance Program (RMP)

In its' third year of existence, Ontario's Risk Management Insurance Program (RMP) continues to help beef farmers manage risks beyond their control, like fluctuating costs and market prices.

Although the program underwent changes in funding in 2013, BFO continues to work with fellow RMP commodity organizations, Ontario Ministry of Agriculture and Food and the Minister to develop solutions that will maintain the program and adhere to the fiscal realities of the provincial government.

## Traceability

The Canadian Cattle Identification Agency (CCIA) has spearheaded the development of the Cattle Industry Traceability Plan for the furthering of cattle traceability in Canada. As part of the implementation, the plan assumes that a common shipping manifest, containing key pieces of ownership and traceability information, is in place in all provinces. The manifest can be used both for commercial livestock tracking purposes as well as to contain information that may be required under future traceability regulations.

Recognizing that Ontario does not currently have such a manifest, an industry led group was formed to work towards developing one for the Ontario sector. The group is comprised of representatives from the BFO, Ontario Cattle Feeders' Association, Ontario Livestock Dealers' Association, Ontario Livestock Auction Markets Association and Ontario Trucking Association, as well as from the Ontario Ministry of Agriculture and Food and Ministry of Rural Affairs.



The group has collaborated to draft a manifest that contains all of the key data elements called for by the national plan. This manifest contains fields for information needed for both commercial purposes as well as for information such as premises identification numbers that may be needed as part of future federal traceability requirements. The manifest will be made available for use in early 2014.

## Ontario Forage Rainfall Plan

The BFO has been actively involved in a review of the Ontario Forage Rainfall Plan through an industry-government forage advisory working group. The BFO has been working diligently with industry experts and the provincial Ministry of Agriculture and Food to review the existing plan and develop options for improvements to forage coverage for the 2014 program year. The in-depth review included comprehensive discussions as well as feedback from over 300 grower survey responses, analysis of plan designs in other jurisdictions, recommendations from a national forage review, and information from academic experts and weather service providers.

Improvements to the forage plan will better reflect the impact of rainfall shortages by triggering claims with a smaller lack of rainfall

and by not counting rainfall from days with less than one millimetre. Producers will also see improvements to claims calculations with the modification of the relationship between rainfall and yield, and the addition of a price index to reflect higher costs in times of forage shortage. An additional enhancement gives producers an option for greater coverage. The BFO will continue to engage with its partners in government to improve the Forage Rainfall Plan in Ontario and will continue to explore the possibility of a yield-based forage insurance program moving forward.

## Code of Practice for the Care and Handling of Beef Cattle

In an effort to disseminate information contained within the renewed Code of Practice for the Care and Handling of Beef Cattle, a number of local county/district associations planned hands-on workshops in the fall of 2013 for local producers to gain a better understanding on the recommended practices outlined in the new Code. Six workshops were held across the province that provided an overview of the Code followed by a chute-side demonstration by a local veterinarian on castration and dehorning requirements. Producer uptake in the workshops has been positive.

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**Beef Helpline**

The Ontario Beef Helpline is a confidential “farmer helping farmer” approach to advice and referral on beef animal care. It provides a confidential way for people to report situations of beef animals that they feel require better care. BFO Helpline representatives respond to these calls by meeting with each farmer to discuss animal care issues.

In 2013, the BFO enhanced its Beef Helpline through the development of a Memorandum of Agreement (MOA) between BFO and the Ontario Society for the Prevention of Cruelty to Animals (OSPCA). This agreement will allow knowledgeable and trained beef industry representatives to accompany OSCPA officers during visits to Ontario beef farms to provide perspective, clarity on standards of care, and other assistance as needed. Open dialogue and improved transparency with regards to OSPCA activities on beef farms will address many of the concerns raised by BFO members.

The MOA will help foster a positive working relationship between industry and the OSPCA. The aim of the collaborative approach is to reduce the tension of inspections, promote

education over enforcement and advance a new era of understanding and knowledge-sharing between the OSPCA inspectors, BFO helpline representatives and BFO producer members.

**Marketing Beef From the Farm to City**

The Farm to City marketing project intends to provide urban customers with another option for conveniently purchasing locally raised beef. This pilot project will create a direct marketing opportunity in Ontario cities that's similar to a virtual farmer's market where customers can order and purchase Ontario raised and processed beef. While BFO's project is focused on beef, the project intends to create a business model that can easily include different commodities and be replicated in other urban areas.

The main objective is to provide a new marketing option for beef farmers who are interested in direct sales. Interested producers identify a potential location and customer base, while this project can provide a practical business model to assist with growing the business by providing recipes, cooking tips, and a website for online ordering and payment. With funding assistance from

Growing Forward 2 (GF2), the BFO was able to conduct market research with Environics Research Group. The BFO hopes to have more details available on this project in 2014.

*The Farm to City project intends to provide urban customers with another option for purchasing locally raised beef.*

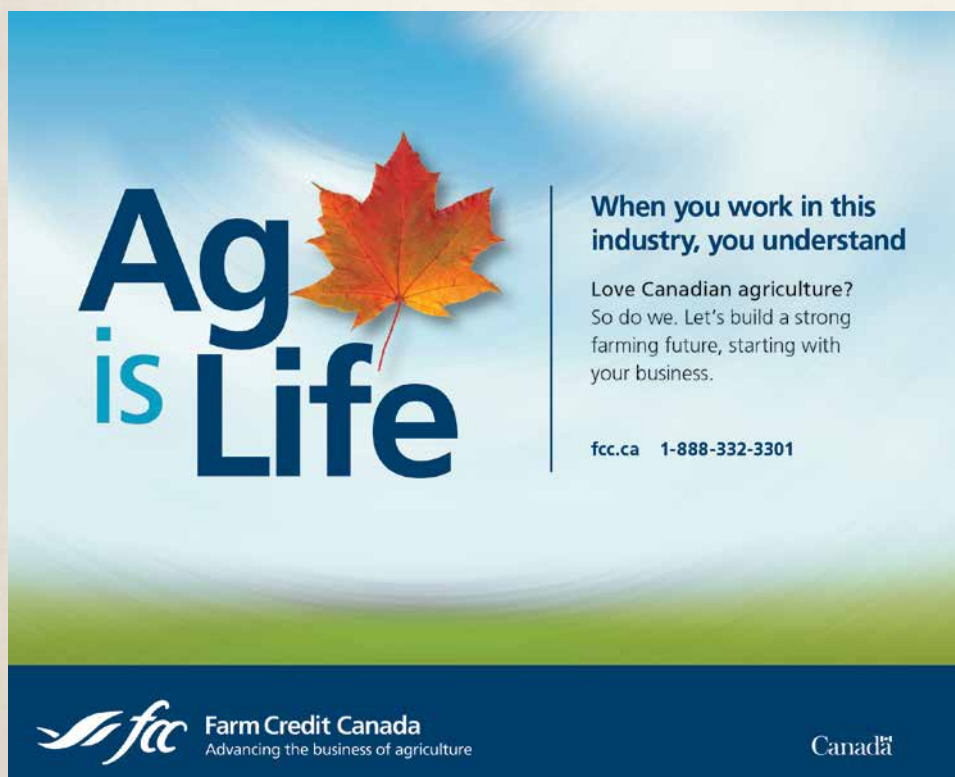
**Ontario Corn-Fed Beef**

The BFO continues to support the Ontario Corn-Fed Beef Program, a program that was established to provide a high-quality, premium branded, beef program for the Ontario marketplace. The BFO is pleased that the program continues to expand within Loblaw Companies Ltd., and throughout the summer the Ontario Corn Fed Beef promotional trailer visited a number of Loblaw retail locations offering shoppers the opportunity to sample the product, meet with Ontario beef farmers, and learn more about the program.

**Research**

The successful Farm Innovation Program (FIP) was extended for one year by the province in collaboration with the federal government under GF2. Six beef research projects were approved for funding this fall to the tune of \$368,000 (100% government dollars). The BFO continues to work with the new Livestock Research Innovation Corporation (LRIC) which was created to provide leadership and direction on livestock and poultry research in Ontario. The BFO is sad to report that Dr. Steve Miller has left the University of Guelph for “greener pastures” in New Zealand. Dr. Miller was widely regarded as the leading expert in beef genomics in Canada. The BFO wishes Dr. Miller well in his new role. The University of Guelph has announced plans to replace Dr. Miller in the coming year.

For more information, please visit the BFO website at [www.ontariobeef.com](http://www.ontariobeef.com)



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## New Brunswick Cattle Producers



The year proved to be a busy one for the New Brunswick Cattle Producers (NBCP). Improved, consistent, and revitalized communication with producers, industry stakeholders, and governments was a main goal this year. The NBCP's bi-annual newsletter was revamped, along with its website. An expanded use of email was utilized to better engage more stakeholders.

The NBCP initiated a free, annual producer registration process to better identify where its current producers are located. The association also worked with local government representatives to explore more formalized premises identification, and how to leverage this to enhance the traceability and marketability of cattle.

Professional development was achieved through the structuring of programs to help producers at the grassroots level be more effective and profitable. The NBCP actively worked to help its producers improve forage management, genetics, animal health and handling to make the best use of its competitive strengths as Maritime cattle producers.

With new animal health regulations in play, the NBCP focused on helping producers ensure animal health and humane handling. The NBCP is eager to support producers to update handling facilities so they can vaccinate, tag, track weights and better manage their animals. The NBCP was also keen to maintain its provincial veterinary services and encourage the efforts of professional breeder services.

In closing, much solid progress was made with enhanced producer communication by engaging dealers. The next challenge is to ensure the NBCP collects its levies due from the province from its partner/bordering provinces. Initial steps have been made to better harmonize levy collection processes in the region.

For more information, please visit the NBCP website at [www.bovinsnbcattle.ca](http://www.bovinsnbcattle.ca)

## Nova Scotia Cattle Producers



The following is a brief update on a couple of activities that the Nova Scotia Cattle Producers (NSCP) Board has been working on since its Annual General Meeting (AGM), held this past February.

The past year has been very busy for the NSCP board locally, within the Maritimes and nationally. Considerable progress was made in regulatory compliance, organization sustainability as well as working with regional and national partners.

Progress on the percentage of cattle levies collected was made, being accomplished by taking multiple approaches including educating producers on regulations, performing inspections and working with dealers, auction houses and slaughterhouses to ensure regulations are being followed. The NSCP continued to work with its sister organizations in New Brunswick and Prince Edward Island to harmonize regulations across the region.

*NSCP continues to work with the MBC proving that one cohesive unit reaps great rewards for those involved.*

On July 1, 2013 the NSCP levy increase to \$3 from \$2 took effect. This was the result of the AGM and regulatory changes at the provincial and national level. This was the first of several regulation changes. The NSCP will be working on additional changes over the winter to propose at the upcoming AGM in February 2014.

NSCP continues to support the efforts of the Maritime Beef Council (MBC). Over the



past three years, this organization has proved that working together as one cohesive unit is not only possible but reaps great rewards for those involved. The MBC has held two regional forums to update the industry and provide consultation on traceability as well as regional research needs. The MBC was also successful in securing research money to conduct feed efficiency research at the Maritime Beef Test Station (MBTS) in Nappan, NS. By obtaining the GrowSafe system, the MBTS can perform testing which is not available anywhere else in Eastern Canada.

Nationally, the continued focus to combat mandatory Country of Origin Labeling (COOL) legislation in the United States has shown little progress and continues to limit our access into that country. The NSCP would like to see efforts made into accessing other markets which may have easier entry as well as to diversify our exporting portfolio.

The NSCP Board consists of nine elected members as well as one appointed member by the Dairy Farmers of Nova Scotia (DFNS). Each year NSCP members elect two Zone Representatives (alternate by year) as well as one Member At Large at the Annual Meeting. The Natural Products Marketing Council appoints and ex-officio member to the Board.

For more information, please visit the NSCP website at <http://nscattle.ca>

## Prince Edward Island Cattle Producers



The Prince Edward Island Cattle Producers (PEICP) will hold its Annual General Meeting (AGM) in March, 2014. Following the AGM the new board comes into effect. PEICP Board members include Brian Morrison, Jeremy Stead, Sterling Jay, David McCloskey, Kenneth MacEachern and Derrick Annema. Ex-Officio Director, Randal MacFarlane represents Dairy Farmers of PEI.

In April of 2013 the PEICP launched its third 'PEI Burger Love' campaign. This was established to raise the awareness of the importance of the PEI beef industry to agriculture and to PEI in general. This social media campaign saw an increase in all aspects of the campaign from the previous year. All told, 31 restaurants sold more than 46,204 hamburgers during the month of April. The 2013 PEI Burger Love's most loved burger was won by the 'Smokin' Fox', from Phinley's Diner, a first time participant in the campaign.

Amanda Miller continues to deliver the Verified Beef Production™ (VBP) program in the Atlantic Provinces. She provides information and direction on the VBP program by offering group workshops, on farm workshops and technical support. The PEICP is pleased to announce that four producers in PEI, and one in New Brunswick have been fully audited in the Atlantic region.

Miller is also working with the Department of Agriculture in collecting producer applications for premises IDs. To date, there have been approximately 350 premises ID numbers issued to beef farms in PEI.

The PEICP is a member of the Maritime Beef Council (MBC). The Council represents the three Maritime cattle organizations on various issues at quarterly meetings and the annual general meeting, held on July 31, 2013. The MBC hosted a Traceability Forum on January

23, 2013. Participants involved in traceability from across the country came together at the Nappan Pavilion to discuss what has been done with regards to traceability, and to identify actions that need to be taken in order to meet approaching requirements. A Regional Research Users Meeting was held on April 25, 2013 in conjunction with the dairy industry to identify areas requiring research that relate to ruminant feeding systems. A report on these findings is being compiled by Agriculture and Agri-Food Canada who participated in the forum. A Harmonized Levy Collection project has also been implemented by the MBC to find a comprehensive levy system that will be easy to administer and effectively collect levies in all three Maritime Provinces.

*The PEI Burger Love campaign was launched to raise awareness of the PEI beef industry to agriculture and PEI.*

The PEICP had two of its programs eliminated when the provincial budget was announced last spring. The Beef Development Fund provided money to cover the beef sector's share of on-farm deadstock removal, as well as funding for some promotional projects lead by the PEICP. The Beef Industry Initiative provided funding for producer programs such as Premium Sires, and Herd Health. While both were eliminated, the PEICP is happy to report that a similar producer program has since been re-established under Growing Forward 2 funding. The issue of on-farm deadstock removal is another matter. After intense consultations, the PEICP was left with no choice but to try to meet its obligations and implement an annual billing system for the beef industry. This service will be cost-shared with the province and with the dairy industry. A total of \$150,000 a year in deadstock fees must be collected by the PEICP in order to meet its obligations to Maritime Pet Food, the deadstock service provider. Atlantic Beef Products has been consistently slaughtering



between 250-300 head/week. They have had weeks where they have processed 400 head. They hope to continue this upward trend as they are successfully marketing everything they can produce.

In May, the PEICP and the Culinary Alliance launched a new brand called *Prince Edward Island Certified Beef*. This product is gaining in popularity in the marketplace and with producers. This premium brand will see producers rewarded when they meet all brand requirements.

A humane handling course was delivered to producers of the PEI Certified Beef brand by Jane Morrigan of Nova Scotia. This practical overview was a great reminder of why producers need to keep animal welfare top of mind when considering who their customers are.

Ivan Johnson will be leaving the PEICP board this spring, however; he has agreed to continue to represent the PEICP at the Canadian Cattlemen's Association (CCA) for the next year.

The PEICP looks forward to hosting the CCA Semi-Annual meeting in August 2014. This will be an opportunity to showcase this beautiful island and the beef industry supported here.

For more information, please visit the PEICP website at [www.peicattleproducers.com](http://www.peicattleproducers.com)



# 2013 Financial Report

# financial report

## Schedule of Operations and Net Assets

Year ended June 30, 2013,  
with comparative figures for 2012.

	2013	2012
<b>Revenue:</b>		
<i>Assessments</i>		
British Columbia	111,013	109,756
Alberta	1,416,364	1,500,000
Saskatchewan	708,619	693,659
Manitoba	261,944	232,683
Ontario	383,447	358,244
Quebec	-	-
Prince Edward Island	9,907	9,951
New Brunswick	10,198	10,244
Nova Scotia	12,238	12,293
	<b>2,913,730</b>	2,926,830
Legal Assessment	303,379	561,971
Interest	13,985	13,886
Other	183,609	115,958
	<b>3,414,709</b>	3,618,645
<b>Expenditures:</b>		
CCA Division Services	319,944	322,066
Calgary Office	923,972	934,339
Ottawa Office	348,274	343,376
Legal Reserve	303,379	537,086
Communications	46,380	42,205
Convention	13,113	17,111
Town Halls	527	-
Executive & Finance	214,652	156,335
Advocate Services	733,146	688,278
Annual Meeting	94,909	92,378
Semi Annual Meeting	57,461	56,739
Auction Market System	150	-
Animal Health & Meat Inspection	133,471	132,703
Animal Care Committee	27,562	26,809
Value Creation & Competitiveness	4,036	11,545
Foreign Trade Committee	58,257	56,674
Domestic Ag Policy	3,333	14,416
Young leaders program	139,134	73,554
CYL Second Step	1,918	-
5 - Country	48,749	22,705
Environment	44,268	47,791
	<b>3,516,635</b>	3,576,110
<b>Excess (deficiency) of     revenue over expenditure</b>	<b>(101,926)</b>	<b>42,535</b>
Net assets, beginning of year	545,644	503,109
<b>Net assets, end of year</b>	<b>443,718</b>	<b>545,644</b>

## Partners Program

# partners program

*The CCA Partners Program is a corporate membership program for organizations wishing to affiliate themselves with the CCA and the Canadian beef industry. In addition to showing support for Canadian cattle producers, the program provides the opportunity to participate on issues affecting the industry. As a non-voting member, the partnership provides a unique method to foster valuable relationships with those involved in the cattle industry.*

### Prime Partners



#### Farm Credit Canada

As Canada's leading agriculture lender, FCC is advancing the business of agriculture. With a healthy portfolio of more than \$24 billion and 19 consecutive years of portfolio growth, FCC is strong and stable – committed to serving the industry through all cycles. FCC provides financing, insurance, software, learning programs and other business services to producers, agribusinesses and agri-food operations. FCC employees are passionate about agriculture and committed to the success of customers and the industry. For more information, visit [www.fcc.ca](http://www.fcc.ca).



#### Merck Animal Health

Today's Merck is a global healthcare leader working to help the world be well. Merck Animal Health, known as MSD Animal Health outside the United States and Canada, is the global animal health business unit of Merck. Merck Animal Health offers veterinarians, farmers, pet owners and governments one of the widest ranges of veterinary pharmaceuticals, vaccines and health management solutions and services. Merck Animal Health is dedicated to preserving and improving the health, well-being and performance of animals. It invests extensively in dynamic and comprehensive R&D resources and a modern, global supply chain. Merck Animal Health is present in more than 50 countries, while its products are available in some 150 markets. For more information, visit [www.merck-animal-health.com](http://www.merck-animal-health.com)



#### Scotiabank

Are you planning to grow, diversify or transition your farm operations to the next generation? Scotiabank's team of dedicated Agricultural Banking Specialists understands your need for dependable financial services and is committed to the future of your business. Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With approximately 83,000 employees, Scotiabank and its affiliates offer a broad range of products and services, including personal, commercial, corporate and investment banking, to some 21 million customers in more than 55 countries around the world.



# partners program

*The program offers three levels of partnership – Prime, AAA, and AA, allowing organizations to select a level of involvement that compliments their corporate sponsorship goals.*

*With the support of corporate partners, the CCA will continue to work toward a dynamic, profitable Canadian beef industry with high-quality beef products recognized as the most outstanding by customers at home and around the world.*

## AAA Partners



### GrowSafe

Since 1990, GrowSafe's engineers and scientists have been developing RFID based automation tools and applications for livestock producers which maximize profitability through better decision-making, ensuring animal health and well being. GrowSafe feed intake and behaviour technology has been installed worldwide identifying those animals that grow as quickly as possible, eat the least amount of feed, require the least amount of medical treatment, and produce the best grading carcass, enabling selection for animals that perform consistently on the ranch and in the feedlot. A strong supporter of Canadian agriculture GrowSafe is proud to be a sponsor of the Canadian Cattlemen's Association.



### Merial

Merial is a world-leading, innovation-driven animal health company, providing a comprehensive range of products to enhance the health, well-being and performance of a wide range of animals. Merial employs approximately 5,700 people and operates in more than 150 countries worldwide. Merial is the Animal Health subsidiary of sanofi-aventis. For more information, please see [www.merial.ca](http://www.merial.ca)



**RBC Royal Bank**

### RBC Royal Bank

RBC Royal Bank® has been supporting Canadian agriculture for over 135 years. We have built a dedicated team of industry-specialized account managers who have established a strong track record of working with farmers, ranchers and agribusinesses across the country. They have the right mix of financial and agricultural knowledge and expertise to help you take your business to the next level with valuable financial advice and a wide range of products and services tailored to your needs. For more information and resources, visit [www.rbcroyalbank.com/agriculture](http://www.rbcroyalbank.com/agriculture)

## AA Partners



### CIBC

With more than a century of experience, CIBC recognizes the importance of agriculture to the Canadian economy. With our expertise in agriculture we are aware of the factors that may affect you, including production cycles, market changes, and consumer demands. CIBC has a team of experts with in-depth knowledge of the cattle industry and understand your day-to-day business. For more information visit us online at: [www.cibc.com/agriculture](http://www.cibc.com/agriculture)

## Platinum TESA Sponsor



### MNP

Agriculture has always been one of Canada's most prominent industries. With more than 65 years of experience, MNP's agriculture team has proudly worked alongside farmers and processors to keep their agricultural businesses current, competitive and profitable. Our business advisors, financial experts and professional agrologists are intimately familiar with all aspects of the agriculture industry, with many still involved in their family's farm operations to this day. MNP's team understands the challenges you face. Working with you one-on-one, we will prepare a strategic plan that is right for you and your business.

Photo credit: Sam Wirzba

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