

CANADIAN CATTLEMEN'S ASSOCIATION
2014 ANNUAL REPORT



**STRIKING A
BALANCE**
IN A BULL MARKET



CANADIAN
CATTLEMEN'S
ASSOCIATION

National Voice Of Cattle Producers

CETA DEMAND **CONSUMERS** COOL **PRODUCTIVITY** COMPETITIVENESS **LABOUR** EXPANSION COSTS **GROWTH** CETA **PRICES** TRADE DEALS SOCIAL LICENSE

STRIKING A BALANCE IN A BULL MARKET



There was nothing typical about 2014 as the combination of tight global beef and pork supply and higher beef demand propelled market prices for all animal types to unprecedented highs. The Canadian Cattlemen's Association (CCA) ensured beef producers have the opportunities and options available to them to remain competitive as the profitability levels of 2014 encourage expansion.

Announced in March, the Canada-Korea Free Trade Agreement (CKFTA) was implemented on January 1, 2015. The CCA had lobbied for an implementation date no later than Jan. 1 to enable Canadian beef to keep pace with U.S. beef and once again compete for meaningful access in the Korean market.

Access to the European Union will be expanded once the Canada-EU Comprehensive Economic and Trade Agreement (CETA) comes into effect. Progress continued on the staged market access agreement with China. The ability to get every piece of the animal to the highest value market is what maximizes prices at the farm gate.



Left to right: EU Council President Herman Van Rompuy, Prime Minister Stephen Harper and EU Commission President Jose Manuel Barroso signed a declaration stating the negotiations for the Canada-EU Comprehensive Economic and Trade Agreement are completed.

Photo credit: CCA



CCA President Dave Solverson meets South Korea President Park Geun-hye.
Photo credit: Government of Canada.

In an important and decisive victory for Canada, the World Trade Organization (WTO) compliance panel ruled the U.S. remains out of bounds with its revised mandatory Country of Origin Labeling (COOL) regulation. The CCA was instrumental in Canada winning this third round at the WTO against U.S. mandatory COOL.

The National Beef Strategy also came to fruition. A collaborative effort of national and provincial beef sector organizations, the National Beef Strategy provides the framework for how the organizations can work together to best position the beef industry to compete for a larger share of the world market and to produce the high quality beef product of choice around the world.



CCA executive, directors and staff with Prime Minister Stephen Harper on Parliament Hill.
Photo credit: Government of Canada.

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2014: Record high prices for cattle, strong demand for beef and heavy activity in the areas of trade and market access resulted in a very fluid and dynamic environment unlike any seen before.

Dave Solverson
President, CCA

What a year it has been for Canada's beef cattle industry. Record high prices for cattle, strong demand for beef and heavy activity in the areas of trade and market access resulted in a very fluid and dynamic environment unlike any seen before. These conditions have created a new price environment for the industry going forward – an environment that will require a new approach from industry in order to fully grasp the opportunity that lies ahead.

There's been no slowing down for the Canadian Cattlemen's Association (CCA). The CCA, working with the Government of Canada, achieved significant progress on important trade files in 2014. There is recognition from producers that the strong global demand for beef is putting dollars in their pockets and they appreciate the efforts expended by the CCA on market access and trade.

The Canada-Korea Free Trade Agreement (CKFTA) has finally come to fruition after years of hard work, and in time to deliver solid opportunity to Canada's beef producers. CCA's efforts continued on the Canada-EU Comprehensive Economic and Trade Agreement (CETA) with a goal to ensuring the technical details in the completed text are such that the CCA can support. Canada's beef producers already have access to the EU, which is underutilized, and the CCA encourages producers and feedlot operators interested in exporting beef to familiarize themselves with the respective requirements.

In June I had the opportunity to promote Canadian beef in China as part of a trade mission led by Agriculture and Agri-Food Minister Gerry Ritz. Canadian beef exports

to China have grown rapidly since 2012 reflecting the reality that Chinese demand for beef has outpaced what they are able to produce domestically. According to some forecasts, China could double its annual global imports of beef before the end of this decade. What an opportunity this is for Canada's producers.

U.S. Country of Origin Labeling (COOL) was another active file that dominated the year. While there were many twists and turns, the crucial development occurred on October 20 when the World Trade Organization (WTO) Compliance Panel found that the U.S. has failed to bring its COOL program into compliance with its WTO obligations. The Panel report unequivocally supports Canada's position that the U.S. amendments to the COOL regulation continue the discrimination against live imports of cattle and hogs into the U.S. marketplace.

The Compliance Panel decision marked the third time that the WTO has found the U.S. has failed to meet its international trade obligations. The November 28 decision by the U.S. to appeal the Compliance Panel decision is that country's final procedural

option before Canada can exercise its right to retaliate. The CCA remains focused on eliminating the unfair discrimination on U.S. imports of cattle (and hogs). The CCA believes the U.S. will lose their appeal – a move which we view as a stall tactic. While this process is expected to take several months, with a decision perhaps as early as the spring of 2015, the CCA believes it will be faster than many of its U.S. opponents anticipate.

Meanwhile, the CCA continued its lobbying efforts to keep the COOL reform momentum building in the U.S., including with groups that will be impacted by the retaliation that will follow if the WTO again rules in Canada's favour on this latest appeal.



CCA President Solverson introduces International Trade Minister Ed Fast at the CCA Fall Picnic. Photo credit: CCA

The CCA devoted considerable effort to the issue of labour in 2014. Labour is an issue for processors, particularly in Alberta, given the large processing plants in Brooks and High River, but also in agriculture in general across the provinces. The CCA has been advocating a Labour Action Plan for agriculture in meetings with Ministers and during Fly-in days, the Hill Picnic and other lobbying efforts. The Labour Action Plan promoted by beef sector through the Value Chain Roundtables along with the rest of Canadian agriculture focuses on three things:

1. Increase the supply of labour to agriculture. Domestic augmented by temporary and seasonal labour.
2. Connecting workers with jobs through a job resource library and career promotion tools.
3. Improving the knowledge and skills of workers through training and learning resources.

The CCA is working to have the processing sector, also plagued with chronic and acute labour shortages, recognized as unique and therefore no longer subject to the reforms and their detrimental effect on business. The CCA emphasized the fact that if the beef cattle industry hopes to take advantage of the increased opportunities for trade the Government of Canada has worked so hard to achieve, the packers require a work force sufficient in numbers and training.

Sustainability took a front row seat this year. The CCA has done a lot of good work in terms of creating the Canadian Roundtable for Sustainable Beef (CRSB) and participating in the efforts of the Global Roundtable for



Left to right: CCA Executive Vice President Dennis Laycraft, International Trade Minister Ed Fast, and CCA President Dave Solverson at the CCA Fall Picnic. Photo credit: CCA

Sustainability took a front row seat this year.

Sustainable Beef. The latter this year made significant progress on defining sustainable beef and now regions around the world are adapting those principles and criteria to their own areas. This movement has gained a lot of traction, especially from food retailers, and I'm pleased that Canada, through the CRSB, is well represented and viewed as a leader in sustainability in the beef industry.

Other achievements this year for the CCA include the Western Livestock Price Insurance Program (WLPIP). The market-based risk management program will help producers in select provinces manage price and basis risk – one of the most unpredictable aspects of managing Canadian cattle farms.

The CCA has been working towards a national price and basis insurance program

since Alberta launched its own program in September 2009. Under the four-year WLPIP pilot project, producers in British Columbia, Saskatchewan and Manitoba will also be able to access the risk management program. The program does not remove risk from the market but provides a way to help manage that risk.

Programs like the WLPIP rely on price discovery, which is critical for sending the correct price signal from the consumer to the producer. Without this additional information, producers will face the risk of higher premiums or no coverage during certain times if consistent price information is unavailable to create a settlement index.

In response, Canfax launched an enhanced price reporting system to ensure the industry has the most relevant market information for decision making and analysis. The enhanced system includes new formula and base

contract prices. The contracts will provide volumes and prices or basis levels for forward sold fed cattle, by each month the cattle are committed to.

This will help ensure accurate, current, and historical cattle prices which are so critical to producers and industry.

A few other active files continue to progress. At the CCA semi-annual meeting resolutions concerning the timely implementation of AgriRecovery and other programming during disasters like flooding and excess moisture that affected the livestock sector in 2014 were passed. The CCA also agreed to lobby governments to implement a long-term solution for flooding issues in Manitoba.

The impact of the 2014 floods in parts of Saskatchewan and Manitoba and how best to mitigate the damage in the short and longer term was also discussed. The parts of Saskatchewan and to a greater extent Manitoba devastated by flooding and crop and pasture loss will make winter feeding an issue.

The CCA remains committed to improving disaster response programs. Addressing the short term production and infrastructure challenges as well as the long term drainage and water management issues are needed. Tax deferral for temporary herd reductions, help in repairing damages through AgriRecovery and major infrastructure investment in water management are all needed to keep the Manitoba beef cattle industry moving positively toward the opportunities provided

by new market access agreements and the current price outlook.

Work continues on the National Beef Strategy on behalf of industry. A collaborative effort by Canada's national and provincial beef sector organizations, the strategy calls for a transformative change in how industry meets the challenges and opportunities that lie ahead with the goal to benefit all sectors of the industry.

The strategy is about how the organizations can work together to best position the beef industry to compete for a larger share of the world market and to produce the high quality beef product of choice in the world.

And now is the time to act. There are many factors influencing the outlook of the global and North American beef industry. Many of the factors which have brought prices to these levels continue to look supportive for the markets for the next 1 – 3 years.

Improving economic conditions in the U.S., and a potentially weaker Canadian dollar are certainly positive moving forward. Projected lower beef production in North America, flat global production, and growing demand is also very positive for Canadian cattle producers.

All animal types are deriving incredible value as cull cow and bull prices are also adding significant returns to cow-calf producers. It is these types of prices and profitability levels that will have more people considering expansion. Still, with fewer replacement heifers around and current market factors, expansion will likely be approached slowly in 2015, leaving feedlots to continue to face high feeder prices next fall.

I know industry is looking forward to continued progress at the Harmony Beef plant in Balzac, AB, which intends to have the 800-head per day capacity facility operational in the spring of 2015. The plan

is to take typical feedlot cattle for the first six month of operations and after that focus on producing product that meets the specifications of markets in the EU and Asia.

I participated in a video about Bovine Spongiform Encephalopathy (BSE) surveillance for producers this fall.

I feel strongly about Canada meeting its commitment to the World Organisation for Animal Health (OIE) to maintain surveillance and testing levels in order to meet the expectations of Canada's domestic and international customers. It is something that we must do in order to continue selling our beef around the world.

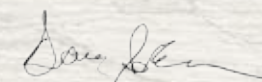
I'm doing my part and I'd urge producers to submit any eligible animals including all deadstock for testing as this is another way for Canada to meet its international commitments. Cattle between 30 months and 10 years of age provide the most valuable information in terms of monitoring the cattle population for BSE. However, any animal older than 30 months of age that fits into one of the categories of dead, down, dying or diseased are potential candidates for testing.

Meeting our testing commitments will help put Canada in a position to apply for negligible risk status in the fall of 2015 for approval at the OIE meeting in 2016.

It's been an incredibly rewarding year. The new CCA logo and website, plus an expanded social media presence on Twitter and Facebook are helping to spread the word of the good work the association does

on behalf of Canada's 68,500 beef operations. Finally, my appreciation goes out to the Prime Minister Stephen Harper, International Trade Minister Ed Fast and Minister Ritz for their unceasing efforts in achieving the truly outstanding progress reached this year.

Respectfully submitted,



Dave Solverson



CCA President Dave Solverson serves up a burger to a soldier at Canadian Forces Base Edmonton as part of the Steaks for Soldiers Campaign. Photo credit: CCA



Checking out cattle on a tour with the Five Nations Beef Alliance in Texas. Photo credit: CCA



2014: *Tight North American cattle numbers, strong export demand, strong competition for imports, and resilient domestic demand pushed prices to extraordinary record levels.*

Dennis Laycraft
Executive Vice President, CCA

Without a doubt 2014 will be remembered as one of the most remarkable years in the history of the Canadian beef cattle industry. Tight North American cattle numbers, strong export demand, strong competition for imports, and resilient domestic demand pushed prices to extraordinary record levels.

For many years the beef sector has battled to break through the \$200 cwt price barrier for cattle sold on the rail. This year we not only broke through that barrier, we smashed through it, and in my view (and that of many others) have reached a new sustainable price range well above that old mark. This record increase in cattle prices has largely been a North American phenomena driven by the U.S. and clearly underscores the importance of Canada's trading relationship through the North American Free Trade Agreement (NAFTA). I will talk more about that later.

Even as producers make the most of these prime market conditions, the question I hear most often is "How long can this last?"

Barring any unforeseen calamities, the fundamentals look strong going ahead for a number of years. North American cattle numbers will start to grow but likely more slowly in than previous cattle cycles. Recent bred heifer and cow prices have clearly strengthened and signal retention. This will further tighten North American feeder supplies for the next few years. World supplies are expected to remain tight with most notably Australia continuing to reduce their herd due to drought. World demand for high quality protein is increasing at a pace that should meet or exceed the modest growth expected in beef production.

We will need to be mindful of competitive meats. Pork and poultry can and will increase production more quickly than beef. Again, world demand should match this growth but it is being tested by political events and military actions that have resulted in trade restrictions.

In my view industry must focus on what it can control and build plans assuming some markets present greater risk than others. Everything that goes up eventually comes down. The Canadian Cattlemen's Association

Even as producers make the most of these prime market conditions, the question I hear most often is "How long can this last?"

(CCA) goal is to ensure that Canada's beef sector remains in a new price range and the floor for prices holds higher than it has in the past.

Over the past 15 months work has been underway on a comprehensive national strategy that began with a series of consultations with CCA's provincial members. The process quickly evolved to include all of the national associations from seedstock through to processing. Last summer a leadership group was formed called the Canada Beef Advisors. This group will help guide and coordinate implementation of the four pillars of the strategy and will interface with our global customers (including domestic). The name 'Canada Beef Advisors' was chosen to reinforce the overall mission to further develop and advance the Canadian Beef Advantage to create greater value association with our product and have it recognized as the best in the world.

The four pillars of the national strategy are:

BEEF DEMAND:

Increase carcass cutout value by 15%

COMPETITIVENESS:

Reduce cost disadvantages compared to main competitors by 7%

PRODUCTIVITY:

Increase production efficiency by 15%

CONNECTIVITY:

Enhance synergies within industry and connect positively with consumers, the public, government, and partner industries

This strategy will commit industry on a path to capture a greater share of the premium beef market around the world while maintaining the strong position and loyalty in Canada. Obtaining greater value for a range of products that are preferred in Canada's export markets where a premium can be obtained allows more balanced pricing though out the entire carcass. This can take some of the price pressure off the middle meats here at home.

It also recognizes the very competitive nature of global protein market and the importance of capturing efficiencies and



reducing regulatory burdens at every step in the business.

The beef cattle industry has endured some difficult years but during that time there was tireless work undertaken to ensure the industry would be sustainable and to set the stage for a greater future.

Securing commercially meaningful access to all of the premium markets and customers in the world has been a top priority of the CCA and the Government of Canada.

Most of the access affected by Bovine Spongiform Encephalopathy (BSE) has been regained. Canada is on target to achieve negligible risk status in 2016.

In recent years, negotiations have shifted from technical issues to securing preferential access where possible and elimination of tariffs and quotas where achievable.

The Canada – European Union Comprehensive Economic and Trade Agreement (CETA) is the most ambitious agreement Canada has negotiated since

NAFTA. It will take several years to come into effect but offers meaningful access to some of the most affluent beef eaters in the world. The CCA estimates the potential value to be around \$600 million per year requiring around 500,000 head to be grown hormone-free to meet the requirements of that market. This is new tariff-free access that is available only to Canada. A parallel agreement was also reached to address the meat hygiene and plant approvals issues that have impeded Canada's beef access for the past 30 years.

On January 1st, 2015 the Canada-Korea Free Trade Agreement came into effect. Initially this agreement will help Canada salvage some access to that high value market. The U.S. already has a FTA with South Korea that began phasing out the 40 per cent beef tariff over 15 years. Each year Canada was falling further behind the U.S. as those duties dropped by 2.7 per cent. The Government of Canada worked hard to try and get a deal that would catch up with the U.S. but could only get the same terms that will phase out the beef tariffs over 15 years. Canada did get some advantage on the phase-out period on offals.

Japan is next on the list either through the Trans-Pacific Partnership negotiation or the bilateral partnership negotiation that is also underway.

These agreements will offer great potential for Canada's beef cattle industry and ideally will increase demand and new sales in these premium markets to keep pace with the increase in production that is starting. These agreements are really about the future. Hopefully China is next.

The greatest impediment we are facing today is labour. It is one of our immediate priorities in the strategy. Processing plants are short approximately 1,000 employees.

This is pushing more live cattle (and jobs) south to the U.S. due to reduced operating hours and line speed as a direct result of worker shortages. Orders are being passed on because there are insufficient workers to do the extra preparation and work on the products that the premium specifications are demanding. Export sales are being turned down.

This is a chronic problem that was made worse this past year. It is even impacting on capital investment in the processing sector.

The only silver lining is that this problem is entirely within Canada's policy realm to fix. The CCA along with the agriculture industry is pulling out every stop to seek a long term solution that will meet Canada's growing labour needs well into the future. Without question, foreign workers, many of whom will become Canadians, will be an important part of meeting this need. Finding individuals who want these jobs will be a lot more successful than trying to force people to take jobs that they don't want.

Earlier I mentioned the continued significance of NAFTA and its importance to the future of Canada's beef industry. A certain amount of live trade to the U.S. is crucial to competitive pricing of live cattle and from time to time allows the North American herd to manage severe weather events such as drought more efficiently.

The price arbitrage experienced in Canada every day is the envy of many parts of the world. This past year while Canadian producers enjoyed record prices, Australia was trading cattle at or below half the price received here. They now have a Senate Inquiry into pricing. Ireland's beef farmers are protesting the price gap of over EUR\$350 per head with the UK.

While Canada is enjoying record prices, they should be even higher. U.S. Mandatory Country of Origin Labeling (COOL) is still costing the industry on both sides of the border. Canada is in the final stages of the World Trade Organization (WTO) process and will hopefully get a proper resolution to COOL in 2015. Once this last appeal is done – the legal burden shifts and the U.S. will now have to prove it has brought its rules into compliance. That means that until CCA and the Government of Canada are satisfied, Canada can and will retaliate and those duties will stay in place during any further litigation. Hopefully it does not come to that.

I am very optimistic about 2015 and believe strongly that there will be great future ahead for Canada's beef cattle industry.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dennis Laycraft'.

Dennis Laycraft

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.

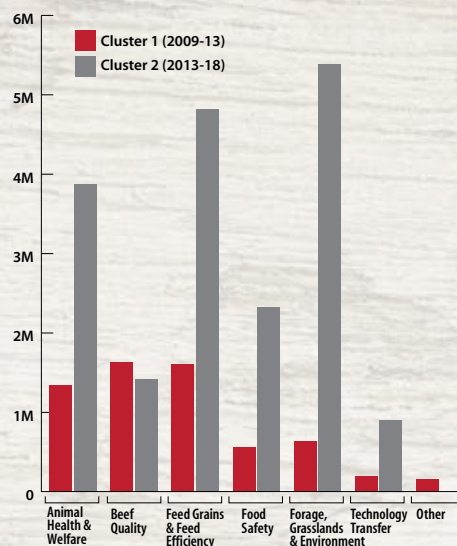
On average nationally, the BCRC receives approximately 16 per cent of the National Check-off, and plays a key role in leveraging additional funding for beef cattle research. Recognizing this, the Council works to ensure the highest return on investment possible for industry contributions to research 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.

Canada's Beef Cattle Industry Science Clusters

The first Beef Cattle Industry Science Cluster directed \$10.5 million to 32 research

Beef Science Cluster Funding by Research Priority Area



projects between April 1, 2009 and March 31, 2013. It proved to be a very successful step towards improving coordination of beef research funding in Canada while generating meaningful, applicable results.

Joint industry and government commitments to the second Beef Cattle Industry Science Cluster (2013 – March 31, 2018) total \$20 million, including \$14 million in funding from Agriculture and Agri-Food Canada (AAFC) and \$5 million in funding from the research allocation of the National Check-off and provincial beef industry groups, in addition to investments by provincial governments. Funding was directed to 26 research projects.

A summary of each project can be found by navigating under the Research tab on BeefResearch.ca, or download them all at: http://www.beefresearch.ca/files/pdf/beef_science_cluster_2_research_project_details.pdf

Highlights of research underway include:

Animal Health and Welfare

- implement a longitudinal disease surveillance network for cow-calf operations in Western Canada
- study the effect of age of beef cattle on pain, as well as pain mitigation during routine management procedures

Feed Grains, Feed Efficiency, and Forage and Grassland Production

- study how selecting for improved feed efficiency impacts maternal traits, as well as test whether genomic tests can sort cattle into more uniform slaughter groups
- provide Western Canada's beef industry with a package of improved tame and native forages
- define how the environmental footprint of the Canadian beef industry has changed over the years, assess whether cattle production impacts ecosystem health, how pasturelands store carbon, and affect wetlands and habitat for species at risk

Beef Quality and Food Safety

- conduct a National Beef Quality Audit (NBQA) to measure improvements in the quality of Canadian beef over time
- enhance understanding of the causes of dark cutters
- improve education for packing plants on effective food safety procedures that are practical and cost effective

Research Performance Reporting and Evaluation

In order to demonstrate the value of National Check-off investments in research, as well as to encourage government to enhance their own investments in research, industry has

taken a leadership role in communicating the value of investments made in beef, cattle and forage research. Due to the limited number of research dollars and a large number of research priorities, industry must also consider the short-term and long-term returns to various investment options during its priority and research program planning process.

An inaugural results report was developed and released in February 2014. The report outlines how Cluster 1 research is contributing to advancements in production efficiencies, quality and demand for Canadian beef. In many cases the financial impacts of deliverables to the industry were calculated; some impacts may not be fully apparent for several years.

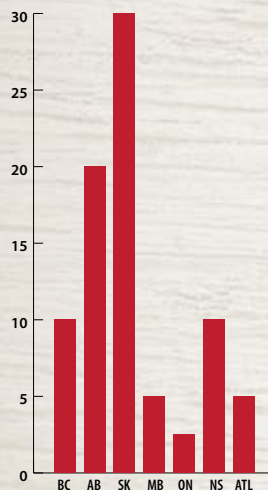
View the full report: http://www.beefresearch.ca/files/pdf/BCRC_results_report_jan2014.pdf

Addressing Critical Capacity Needs

As highlighted in the 2012 National Beef Research Strategy developed by the BCRC and the national Beef Value Chain Roundtable, Canadian beef industry stakeholders strongly identify the need for continued and reinvigorated forage and grassland productivity capacity and research.

Having recognized ongoing cuts by government and other organizations to investments in research related to forage and grassland production, and disappointing impacts including declining tame hay yields, the BCRC substantially increased its proportion of funding to this area. However, ongoing cuts to necessary expertise and infrastructure

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



continue to erode research programs. The BCRC is working with AAFC and universities to maintain and increase capacity, and encourage the transition of new replacement scientists prior to retiring scientist's departure to ensure research momentum is not lost.

Researcher Mentorship

In addition to sponsoring the participation of young research enthusiasts in the Cattlemen's Young Leaders (CYL) program, the BCRC launched the Beef Researcher Mentorship program in August 2014. This new program grew out of concerns that unlike typical CYL participants, many new researchers do not have a background in Canadian cattle, forage or beef production. With limited practical production experience, it is challenging for them to develop an effective, industry-focused research and extension program.

Currently in the pilot phase, the Beef Researcher Mentorship program matches new researchers with producers and industry representatives who are valuable resources of information about day-to-day cattle and forage production, industry structure and influences, and perspectives on industry challenges and opportunities at regional and national levels. Three researchers were selected as inaugural participants.

Enhanced Collaboration to Maximize Research Investments

BCRC continues to place significant focus on enhancing collaboration between itself, provincial check-off groups, and other funders (AAFC, ALMA, SADF, OMAFRA, and others) to ensure critical research priorities are addressed, reduce duplication, and reduce administrative burden for researchers and funding agencies.

As a tool to better enable collaboration and efficient use of research funds, the BCRC has taken the lead in developing a database containing research proposals that various funders are considering, as well as projects that have been funded. This allows all funders to determine whether all priority research areas are being addressed, while avoiding over-funding of particular research topics and improving coordination between funders. It also allows the BCRC to measure funder buy-in to the priority research outcomes identified in our 2012 National Beef Research Strategy.

Technology Transfer and 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.

The website, www.beefresearch.ca, provides access to general information on research topics, summaries of in-progress and completed projects, and information that helps producers make informed decisions on implementing innovation into their production practices. The website delivers various BCRC-produced extension resources including articles, videos, webinars, and calculators.



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

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). Refer to the VBP report on page 13 for program details.

For More Information

To learn more about BCRC initiatives and take advantage of our extension resources, visit our website at www.beefresearch.ca and join our mailing list at www.beefresearch.ca/blog/subscribe

Canfax



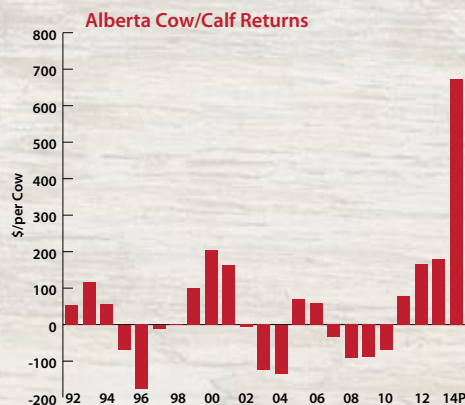
Shrinking cattle numbers across North America have been the theme for more than five years in regard to market expectations. Each year, anticipation grew that smaller beef supplies would result in rising cattle prices. Although prices have increased modestly over this timeframe, the impact of shrinking cattle numbers were not fully realized for a variety of reasons, such as the U.S. drought causing a large liquidation of cattle, and/or rapidly rising grain markets, as well as reduced demand as a result of the recession in 2009. These factors resulted in short term supplies exceeding expectations, or demand falling below expectations, and therefore further liquidation of the herd.



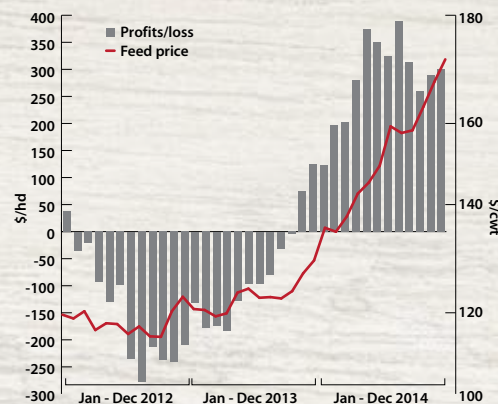
Photo credit: Ramona Blyth

Fueled by the extended liquidation, 2014 global and North American weather and market conditions came together to provide one of the biggest market surges of all time. Cattle and beef market fundamentals were very strong, and additional support was provided to Canadian producers through a lower Canadian dollar and cheaper feed grains. At the time, Alberta fed cattle prices ended 2013 at record highs of \$131/cwt, while in 2014, fed cattle prices reached over \$180/cwt, an increase of 40 per cent. On a 5 weight steer calf, prices surged even further. Although calf prices had previously set a record in 2012, prices for a 550 lb steer at the end of 2013 were around \$170/cwt, they peaked in the fall of 2014 around \$295/cwt, a 74 per cent increase in one year.

In addition to the excitement from stronger prices, profit levels for producers were also large. Generally, the largest beneficiary of these market conditions have been the cow-calf producers, as demand is extremely strong for a smaller calf crop. Although costs and profit levels vary significantly between producers, after several years of poor profit margins, this year has certainly paid off for the producers who have stuck through the rough years.



Feedlot - Profit/Loss Margin YEARLING STEER

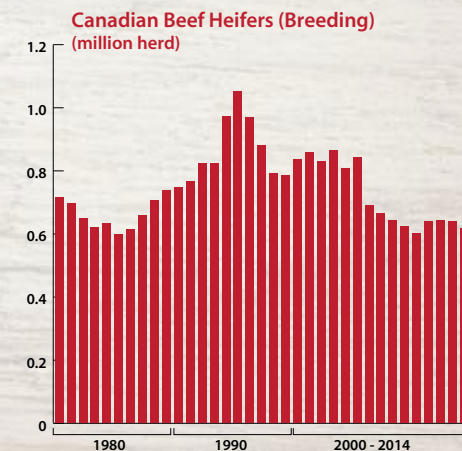


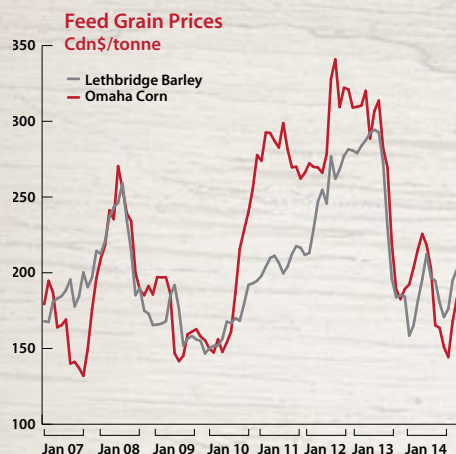
Feedlots also had opportunities for substantial profits as prices rallied. In some instances, feedlots were selling fed cattle at more than \$600/head profit. Although fed cattle prices soared, many feedlots had a large proportion of their cattle contracted, and therefore did not realize as high of profits. That being said, feedlots were able to manage their risk and lock in profits. As feeder cattle prices continued to rise, and the number of feeders exported grew on strong U.S. demand, Canadian packers were offering very strong basis levels/prices in order to ensure supplies of Canadian fed cattle would be maintained for 2015, therefore, the number of fed cattle contracted in 2015 will remain quite large.

The fall run of 2014 was one of the first and strongest signals for cow-calf producers to expand. While prices had been rising the last few years, aging producers, market uncertainty, profitable grain farming, etc. continued to lead to shrinking cattle numbers, and that continued for most of 2014.

Cow marketings in 2013 were at liquidation pace, and cow marketings did slow in 2014. Cow marketings in 2014 are expected to be down approximately 9 per cent, with both slaughter and exports expected to decrease a similar amount. It is important to note, that although cow marketings are down from 2013, they are still going to be about 10 per cent higher than 2012. This is further evidence that expansion will be delayed, and is expected to be quite moderate. In addition to cow marketings, heifer retention was also limited in 2014.

The July 1st inventory of breeding heifers was down 3.5 per cent from last year, and the second lowest level since 1986. More heifer retention is required to at least stabilize the herd, and then lead to expansion. Cow and heifer slaughter has been relatively high in 2014, and it won't be until 2015 that a clearer picture of heifer retention can be developed. The renewed interest in breeding stock, and the strong prices for bred heifers and cows in the fall of 2014 is one indicator that there is an increased appetite from producers to grow breeding stock numbers.

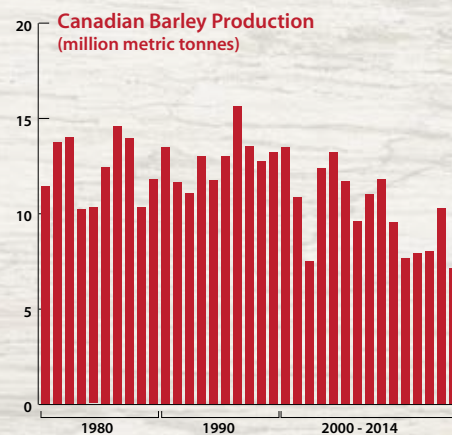




Tight U.S. supplies, and the surge in U.S. fed cattle prices have been the main source of higher prices in Canada. These market conditions have increased the competition from U.S. buyers. Despite starting the year with the smallest beef cow herd in 20 years, cattle exports in 2014 are expected to be at the highest level since 2008. The main driver in higher exports is feeder cattle. Feeder cattle exports more than doubled in 2013 compared to 2012, and feeder exports are up almost another 50 per cent in 2014. Total feeder exports will likely exceed 450,000 head, which is the fourth highest level in over 20 years.

Although prices are record high, the large exports on the back of a small calf-crop does put pressure on infrastructure at the feedlot and packing sectors. High utilization rates for feedlots and packing plants is critical to their long term competitiveness. The key competitiveness factor from a cost perspective for feedlots is feed costs, while for packing plants it is labour. Competitiveness for the Canadian cattle sector was lost in both of these areas. Corn prices decreased more dramatically compared to barley this year, and access

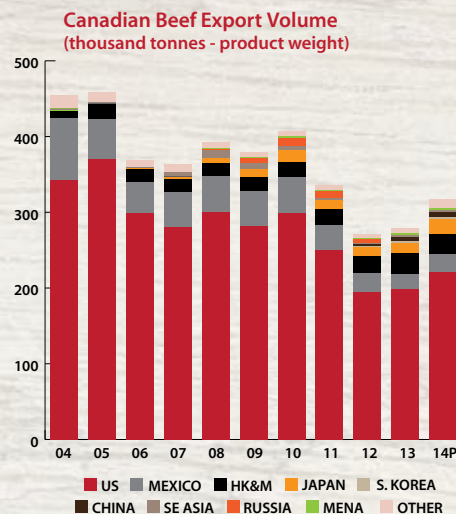
to labour also cut into margins for Canadian packers. Since 2010, Alberta barley prices have generally been below U.S. corn prices, but this summer and fall barley prices have consistently been at a premium to corn prices. This is one of the main drivers of feeder exports as barley production decreased 30 per cent from last year, and has been on a general downtrend. Competitive feed grains are important to the sustainability of the Canadian feeding and packing sectors.



Beef Exports

The Canadian industry continues to be very dependent on a robust export market. Beef exports are up 14 per cent in volume and 41 per cent in value from January to September 2014 and are projected to end the year up 10 per cent in volume and up 34 per cent in value. The U.S. remains Canada's top market accounting for 70 per cent of total beef exports followed by Hong Kong and Macau (8.4%), Mexico (7.3%), Japan (5.7%) and Mainland China (2.4%).

Strong global demand combined with generally flat world beef production has led to increased global beef prices. This benefits



the Canadian beef sector through increased beef values, as well as adding competition for beef imports which further supports domestic prices.

Canadian Cattle And Beef Supply Outlook 2015

The final years of the consolidation phase, before expansion is realized with larger beef cow inventories, are the smallest beef production years in the cattle cycle. Production is impacted in two ways. First, non-fed production is reduced as culling rates drop and second fed production is reduced as heifers are retained to build the herd.

Cattle Marketings and Beef Production

On July 1st the 2014 calf crop was down 1.4 per cent or 63,400 head to 4.36 million head but the Canadian feeder and calf supply outside of feedlots was down 2.4 per cent or 140,690 head from last year with more cattle placed in the first half of the year. As a result there are fewer cattle to place this fall. Fed cattle marketings will be further reduced by strong feeder exports this fall and next spring as well as increased heifer retention.

Overall fed marketings in 2015 are forecast to be down 3.4 per cent to 2.5 million head. Domestic slaughter is forecast to be down 2.4 per cent, while fed exports are forecast to be down 8 per cent with new packing capacity opening in Western Canada. Carcass weights are forecast to rebound to 2013 levels with cheap feed and a less attractive swap than what has been seen in 2014. This will see feedlots keeping cattle on feed longer and support fed beef production to be down only 0.4 per cent.

Domestic slaughter is forecast to be down 2.8 per cent to 2.67 million head, with beef production supported by carcass weights, it will be down only 1 per cent. Beef imports are forecast to remain tight but will be 3-5 per cent higher after the 12 per cent decline in 2014. Beef consumption in Canada is forecast to be down 4.5 per cent in 2014 and another 4 per cent in 2015. Exports will be supported by a favorable exchange rate, further economic recovery in the U.S. and strong demand in Asia; but constrained by shorter domestic supplies.

There is considerable risk in this forecast as the turn in the cattle cycle, whether at the top or the bottom, is the hardest thing to predict. The U.S. has had the price signal for several years to expand, but has not been able to due to drought. Originally the current consolidation phase was expected to last 4-5 years. Therefore, 2015 could be another year of consolidation before expansion starts in 2016. It is important to keep in mind the lag from when producers start retaining heifers (which has not happened yet), to when beef cow inventories actually increase and the additional lag until production actually starts to increase.

Canfax continued from previous page

Production Factors to Watch in 2015:

1. **Feeder exports** in the first quarter of 2015 could be higher than 2014 if feed grain prices do not come down in Canada. This would reduce fed marketings in the second half of the year.
2. **Heifer retention** may not occur at projected levels as expansion does not materialize, supporting larger fed production.
3. **Carcass weights** are expected to increase in 2015 given tight cattle numbers, and high replacement cattle costs. Any production or market changes that affect carcass weights can impact overall production.
4. **Cow marketings** could be steady if producers maintain the herd and do not expand.

Canfax's Enhanced Price Reporting

The method of marketing cattle has changed dramatically in the past few years, and continues to adapt as market conditions rapidly change. There are many reasons for these changes as feedlots have opted to do more contracts or formula priced cattle versus marketing fed cattle on the cash market. Contracts help producers to manage their risk, while formula priced cattle reduces the transactional costs of negotiating prices each week. These changes have resulted in an extremely thin cash market in Western Canada and in most regions of North America. The aggressive contracts from domestic packers to secure inventories through the rest of 2014 and into 2015 will continue to keep cash trade at a minimum. The cash market has traditionally been the source of price discovery, and remains the most referenced price series for market

analysis and is used extensively in programs, such as price insurance. Canfax continues to collect cash prices, and highly encourages all feedlots selling cash cattle to report their cash sales each week. However, there have been weeks when Canfax has been unable to report an average weekly Alberta fed price, as trade has been too thin to establish a market trend, or the confidentiality requirements to publish prices has not been met.

Price discovery is critical for sending the correct price signal from the consumer to the producer.

A market whose participants are starved for information will have much wider price dispersion than one that is information rich.

- Ted Schroeder

Accurate, current, and historical cattle prices are critical to producers and industry.

1. For **producers** making marketing and risk management decisions as well as business planning (Long term breeding decisions)
2. **Program requirements** for price insurance, income and disaster programs
3. **Policy and regulatory development** requires reliable historical data for strategy development by industry and government (including defending against trade actions)

To enhance market information, and ensure the industry has the most relevant market information for decision making and analysis, Canfax is launching an enhanced price reporting system. This includes both new formula and base contract prices. The contracts will provide both volumes and prices or basis levels for forward sold fed cattle, by each month the cattle are committed to.

Greater market information is beneficial to the entire industry. The Western Livestock Price Insurance Program requires additional information, otherwise producers will face the risk of higher premiums or no coverage during certain times if consistent price information is unavailable to create a settlement index. Policy decisions, program development, and defending against U.S. mandatory Country of Origin Labeling (COOL) require this information to measure the impact each has on the industry. The new enhanced reporting system will add valuable information for these analyses.



Photo credit: Reg Schellenberg

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 focused on the launch of several new initiatives, as well as the enhancement of existing activities:

1. Canfax and CRS provided staff support for the CCA Price Discovery Task Force.
2. CRS is providing data expertise for the Canadian Roundtable for Sustainable Beef (CRSB) Sustainability Assessment working group and assisting with project management.
3. Competitiveness Benchmarking Study – Agri-team has been contracted to provide a set of measures and initial benchmark for the Competitiveness pillar of the National Beef Strategy.
4. Agri-benchmark – Canada participated in a historical indexing project along with a number of other countries to provide comparisons on margins over the last five years and the incentive/disincentive to expand in major producing regions.
5. Beef Cattle Research Council (BCRC) contract to develop research evaluation and performance measures. The BCRC 2009-2013 Results Report was completed in January 2014. A review of the value of investment in Forage and Grassland productivity is being finalized. CRS developed the 'Value of Preconditioning Calves' tool for BCRC which was released in April 2014.
6. The Canadian Cattlemen Market Development Council (CCMDC) contract to provide statistical and economic analysis for both the annual business planning and results reporting process will end in March 2015.
7. Private contracts were completed for B.C. Cattlemen's Association, Canadian Beef Breeds Council, and CCA staff Mark Klassen.

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 (CCA), this national on-farm food safety program has undergone two technical reviews by the Canadian Food Inspection Agency.

The Verified Beef Production™ (VBP) 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 or online version, and providing support to implement basic record-keeping if not in prior use.

Annual estimate as of June 2014 using a weighted average:

- 72% of beef production from VBP-trained operations (18,223)
- 23% of beef production is from VBP-registered operations (1,057)

VBP appreciates the support of Growing Forward 2 in some provinces, as well as some industry sponsorship for training and delivery.

Annual progress estimates are done in June each year. Overall, the percent of production from VBP-trained operations is: 37 per cent cow-calf and 66 per cent of feedlot production.

The per cent of production from VBP-registered (audited) is: 6 per cent cow-calf and 34 per cent of feedlot production.

- number of trained operations up by 6.5 per cent
- number of registered (audited) operations increased by 5 per cent

VBP is participating in the development of added modules for biosecurity, animal care and environmental stewardship over the next two years. A risk assessment approach is currently being facilitated. After on-farm pilots, these modules will be added with the aim to be low-cost or no-cost, and using existing materials/programming wherever possible.

VBP Workshops and Audits by Province

June 2014

	# workshops	# producers	# audited
ON	235	2713	110
PQ	38	601	34
SK	241	4079	71
AB	256	7359	335
BC	70	781	105
MB	154	2547	397
NS	1	9	0
PEI	9	41	4
Nfld	1	26	0
NB	6	67	1
Totals	1,011	18,223	1,057

Includes online training completions of 2,250



The Environmental Stewardship Award - TESA



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 Canadian Cattlemen's Association (CCA). The national TESA recipient is announced at the CCA's semi-annual meeting/townhall.

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 17 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/>

2014 Provincial Recipients



Richard & Nancy Martens

David Martens & Sons, Vanderhoof B.C.

British Columbia Cattlemen's Association Environmental Stewardship Award Recipient



The McGrath Family

Round Rock Ranching, Vermillion, AB.

Alberta Beef Producers 2014 Environmental Stewardship Award (ESA) Recipients



Michael & Tamela Burgess

Circle Y Ranch, Sask.

Saskatchewan Stock Growers Association Environmental Stewardship Award Recipient



Richard & Kristy-Layne Carr

Rich Lane Farms, La Broquerie Manitoba

Manitoba Beef Producers Environmental Stewardship Award Recipient



Dr. Peter Kotzeff

Chesley, Ontario

Beef Farmers of Ontario Environmental Stewardship Award Recipient



2014 National Recipient TESA recipient

Sean and Tanya McGrath

Round Rock Ranching, Vermilion, Alberta



Round Rock Ranching is The Environmental Stewardship Award (TESA) recipient for 2014. The fifth-generation family farm is operated by Sean McGrath along with his wife Tanya and their three children in partnership with Sean's parents, Fred and Anne McGrath. Located on the northern fringe of the Battle River valley and adjacent escarpment, Round Rock Ranching consists of 2,000 acres of owned, leased and rented ground. Approximately 80 per cent of the home ranch is on native rangeland, with the goal being to graze year-round. The ranch runs an Angus-based cowherd with calving in May/June. Currently the ranch is breeding between 150 and 200 females.

Round Rock Ranching was selected for, among other things, implementing innovative techniques, like various offsite watering systems, while practicing beneficial management practices, resulting in outstanding environmental stewardship. Stewardship on tame pasture stands, for instance, has extended stand life and allowed for significantly increasing and maintaining production on those lands with limited

inputs. The ranch has also adopted practices such as bale grazing, the use of portable wind fence, and fuel efficient vehicles for daily operations to reduce energy use and costs. Winter feeding methods also significantly reduce electrical demands on the ranch. Numerous recycling efforts have been implemented for twine, used oil containers, used oil, and old wire.

CCA Environment Committee Vice Chair Bob Lowe was impressed with the McGrath's operation, and was happy to present them with a \$1,000 cheque and an engraved belt buckle. "The McGraths have demonstrated a thoughtful and strategic approach to stewardship that has resulted in significant benefits to the land as well as the operation's bottom line."

In accepting the TESA, Sean McGrath thanked the other provincial environmental stewardship award winners and fellow TESA nominees for inspiring him to do more. "To be totally honest with you I'm going to steal a whole bunch of ideas and take them home," he said.



Round Rock Ranching: *"The Best Beef in a Better World." This vision is the guiding lens through which all operational decisions are viewed and assessed.*

Round Rock Ranching has tame pasture and native habitats, including remnant native parkland and riparian wetland and creek habitats. Specific landscape goals include shifting species composition on native rangeland towards fescue/wheatgrass/needlegrass dominated stands where the landscape permits, eliminating overgrazing and improving riparian habitat and ecosystem function. Round Rock Ranching is value-focused with the vision statement:

"The Best Beef in a Better World." This vision is the guiding lens through which all operational decisions are viewed and assessed.

"To be totally honest with you I'm going to steal a whole bunch of ideas and take them home."

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CCA Animal Health and Care Committee

The Animal Health and Care Committee is responsible for monitoring current issues and trends in animal health, care and welfare including federal legislation and regulation, activism, research and international bodies such as the World Organisation for Animal Health (OIE) and the International Meat Secretariat. For both animal health and animal care, the committee advocates for regulations that are based on sound, current science and do not unnecessarily impede trade.

At the start of 2014, the Canadian Cattlemen's Association (CCA) Board of Directors determined that the Animal Health and Animal Care Committees should merge. The health and welfare of beef cattle are integral to each other and while there are unique issues for each, policy development and most actions make them inseparable.

Traceability

The CCA and the Canadian Cattle Identification Agency (CCIA) work closely together on this file. The pre-publication consultation for the proposed traceability regulatory reforms continued through much of 2014. Proposed regulations for livestock traceability were scheduled for initial publication (Canada Gazette I) in 2014, but were delayed as more studies were undertaken by the Canadian Food Inspection Agency (CFIA). The options proposed by the CFIA for implementing the regulations for beef cattle traceability are not consistent with the industry's Cattle Implementation Plan (CIP). The CCA and CCIA are adamant in holding the CIP as the staged approach to implementing full traceability for beef cattle.

Verified Beef Production Plus

This was the first full year of activity for developing and adding the training and audit modules to the Verified Beef Production™ (VBP) program. The modules include biosecurity, animal care (Codes of Practice) and environmental stewardship. This is supported by Growing Forward 2 funding under the Agri-Marketing Program; Assurance Systems.



The process to date has included a risk assessment of the national standard for biosecurity and animal care (Code) to determine the most relevant practices that contribute to reducing the risk of a health or welfare incident occurring on a beef cattle operation. The risk assessment will then determine how an audit of an operation may be conducted to verify that the most appropriate production practices are being implemented. This will then be pilot tested to determine if it is practical and meaningful.

When consolidated with the original VBP program for on-farm food safety and a new module for environmental stewardship, the VBP Plus program will be the industry's program for demonstrating sustainability.

Feed Regulation Modernization

The CCA continued as 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. It is expected that the amended regulations will be published in Canada Gazette I in 2015.

BSE Surveillance

It is anticipated that at the end of 2014, there will be a slight shortfall of the target of 30,000 samples tested (25,305 as of Nov. 30). This is in spite of the efforts of industry and government to promote the need for continued surveillance through media and awareness campaigns. However, it should be noted that animals that meet the parameters for Bovine Spongiform Encephalopathy (BSE) testing are few and far between 11 years after the first domestic case was reported. As well, the measures that have been implemented to prevent the disease from spreading, such as the enhanced feed ban, have been in effect for the better part of six years.

The issue remains one of maintaining a credible level of BSE surveillance to demonstrate that Canada's control measures are effective and are working towards eradicating the disease. Canada will apply to the OIE for Negligible Risk status in 2015, and could receive that status in 2016, the first

year it would be eligible. The CCA remains confident that despite a shortfall in 2012 and now 2014, the overall level of surveillance and the control measures in place should enable a change in risk status.

Zoning

The United States and Canada continue to develop common activities on the Arrangement between the Canadian Food Inspection Agency (CFIA) and the United States Department of Agriculture (USDA) for the Recognition of Foreign Animal Disease Control and Eradication Zones (Arrangement). The intent of the Arrangement is to facilitate recognition by USDA and CFIA of each other's decisions to establish, maintain, and release an area of control. The Arrangement is based on reciprocal evaluations of veterinary infrastructure and emergency response capacity which concluded that both countries can effectively use zoning to control and eradicate a foreign animal disease (FAD) outbreak.

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 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 Canada’s world class animal health and welfare system.



In 2014, the strategy was updated to Farmed Animal Health and Welfare 2020 – a strategy for animal agriculture in Canada. The renewal process extends the existing national animal health and welfare strategy to 2020 and updates the strategic outcomes; identifies five-year priorities; and introduces a mechanism to increase collaboration, communication and coordination. The renewal captures and communicates the huge amount of work already being done. In addition to the renewed strategy, the council has also provided recommendations on animal welfare research, the governance of surveillance and on actions required to address antimicrobial resistance and use in food animals (AMR/AMU).

National Farm Animal Care Council

The National Farm Animal Care Council (NFACC) operates under the Canadian Animal Health Coalition and has since its beginning in 2005. NFACC has evolved from its tentative beginnings to a growing organization that is considering incorporation on its own. One of the issues from the last year that contributes to this consideration is application for membership from Mercy for Animals Canada.

Until this application there have only been applications from organizations that share the values of NFACC and acceptance was certain. Turning down applications comes with a risk of challenge and dealing with an organization based on confrontation brings risk and liability toward the top of things to consider. Risk to NFACC and also to the coalition are being considered. Incorporation may add costs to NFACC but will reduce exposure of the coalition. The membership of both organizations overlaps (including at CCA) and consideration of this along with the National Farmed Animal Health and Welfare Council continues to hang in the background.

NFACC has had a successful year as its membership has grown (Canadian Dairy Processors, Canadian Veal Association, Manitoba Pork, Saputo, and McDonald’s). World Animal Protection has also asked to join. This request is being considered on a slower timetable as this organization is not familiar to the current NFACC membership. NFACC members are considering their comfort level with World Animal Protection. As a consensus-based decision making organization there is no danger that decision making will be affected by this new member. The concern is more along the lines of the



Photo credit: Jennifer MacDonald

trust-based discussions held at NFACC. With growth in membership NFACC has been able to hold membership fees constant for 2015 despite growing demands.

This past fall marked the completion of Quebec hog producer Edouard Asnong’s tenure as chair of NFACC. CCA’s Ryder Lee was acclaimed as the new chair. This is a two-year term with a maximum of three terms. The chair sits in their own right opening up a spot for the CCA. Matt Bowman has agreed to fill that spot. NFACC does not limit the board membership terms but does ask organizations to commit representation to at least two years and checks every two years if the current delegate still has the organization’s support.

NFACC is the home for the process of developing and renewing Codes of Practice for farm animals in Canada. This past year Agriculture and Agri-Food Canada (AAFC) approved new project funding for NFACC to coordinate the completion of the poultry codes (layers and meat) and to do two new codes. The veal code will be renewed under this project and it increasingly looks like the transport code will be the other update

under this Growing Forward 2 project. The transport code update will also likely include venues such as auction marts. It has been difficult to date to get engagement from auctions in NFACC. That will not likely stop the renewal of the transport code from proceeding. The development committee for a transport code will be large as it overlaps most production and several industry groups that are affected.

NFACC has accepted the National Farmed Animal Health and Welfare Council’s recommendation regarding research. The recommendation is that NFACC facilitate a process to assist commodity organizations in establishing communication among researchers, research users and research funders to promote collaboration, reduce inefficiency, help smaller commodities, identify long term needs, to communicate the importance of farm animal welfare research, to promote understanding of mechanisms for funding farm animal welfare research and to influence the priorities of agricultural policy frameworks. The work of the Beef Cattle Research Council (BCRC) and the Beef Science Cluster is an example of much of this already being done. The systematic way the beef research strategy is developed and moved forward will be one of the examples drawn from for this work.

Animal Cruelty Legislation

The list of potential bills for consideration in the Federal House of Commons has numerous private members bills that would update the cruelty to animals section of the Criminal Code of Canada. These bills could potentially be debated or even adopted by the government depending on if their sponsors bring them forward.

2014 Committee Reports

CCA Animal Health and Care Committee continued from previous page

The Federal Government has updated this section of the criminal code recently by increasing penalties and allowing for summary conviction. A bill before the House at writing would update the service animal's portion. The numerous proposals point to a continued desire from some voices to see more updates to the criminal code. One of these voices is the Canadian Federation of Humane Societies. This group made a presentation to the last meeting of NFACC looking to build support among farm animal producing groups. Uncertainty remains around a couple of key changes proposed. This conversation will stretch past the coming federal election as this will not be something reaching the floor of the house by spring 2015.

Feedlot Animal Care Assessment Tool

The National Cattle Feeders Association project to design a feedlot-only tool for showing that feeders are following the code of practice continues. This project received funding from AAFC and the Alberta Livestock and Meat Agency. Pilots should take place in 2015. There is overlap in this committee and the technical committee for the animal care portion of Verified Beef Production™.

Transport Regulations Update

An update to the federal transport of animals regulations is still "coming soon." There is not much to update as this has been coming for a long time. There is strong indication that the new regulations will reduce the maximum time cattle will be allowed to be in transit without feed and water but nothing official has been shared.



CCA Director Rob Somerville checks on his cattle. Photo credit: Somerville Family

This is the area where the cattle industry faces the most regulation and where some bad management decisions are likely to come to light. Shipping cattle or calves that are not ready for the trip ahead or the stops in the trip ahead (e.g. auction marts) runs a risk of them becoming compromised during the journey or shortly after. This is not something regulatory amendments or code of practice updates are likely to change.

Whatever the code or regulations say it is still about only shipping animals that are fit for the entire journey, not just fit enough to get on the truck. The CFIA is the regulatory body with jurisdiction over animals in transit. There are ample tools including fines and prosecution available to the agency. That being said they cannot be everywhere and

it is up to industry to ensure no animals are shipped that could end up casting a negative light on industry. This has happened several times in the last year through activist videos of other parts of animal agriculture. Good stewardship, decision making and ensuring everyone understands their duties of animal care will hopefully prevent a beef cattle focused incident from occurring.

Committee Members: Pat Hayes, Co-chair; Reg Schellenberg, Co-Chair; Martin Rossmann, Larry Delver, Heinz Reimer, Howard Bekkering, Perry Rasmuson, Matt Bowman, George Smith, Ivan Johnson, Ben Fox, YCC ex-officio. CCA Staff: Rob McNabb, Ryder Lee.



Convention Committee

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.

Semi-Annual Meeting

The 2014 Canadian Cattlemen's Association (CCA) semi-annual meeting was held in the Charlottetown, PEI, a distinctive and picturesque location which was well received by all. In 2012, the CCA board decided to once again move the semi-annual meeting and convention from province to province; the decision of where to hold the event is subject to yearly review by the CCA board. The 2015 semi-annual meeting and convention will take place in Winnipeg, Manitoba and will be hosted by the Manitoba Beef Producers. The following year the semi-annual will be held in British Columbia with the B.C. Cattlemen's Association hosting the meeting.

Planning for the 2014 Semi-Annual Meeting

In preparation for the 2014 semi-annual meeting, the PEI Cattle Producers (PEICP) worked with CCA convention committee staff and the previous year's hosts. The PEICP was very involved in planning and sent a request to the province for sponsorship of the event. In response, the province made a \$5,000 contribution and was used to help cover some costs associated with the tour, which CCA operates on a break-even basis.

As the host province, it was PEICP's responsibility to organize a tour for the delegates that showcases the agriculture and culture of the island. The association took advantage of the services offered by Meetings and Conventions PEI to source a tour operator who could deliver the kind

of experience sought. This group led a Request for Proposal process to potential tour operators. Once a tour company was selected, the committee then focused on finalizing the details of the event such as tour costs and fee structure, etc.

The PEICP and members of the committee contacted other beef organizations, businesses and 4-H groups asking for sponsorship or donations for the silent auction. Approximately 40 donations were received for the silent auction. In addition the PEICP was able to secure donations of snacks for the tour and the hospitality room and promotional brochures and hats provided by Tourism PEI.

Tour, Entertainment Evening and Silent Auction

The tour and entertainment evening was held on the Thursday afternoon and evening and saw CCA staff and guest enjoy a memorable tour of PEI. The tour consisted of a visit to an ice cream factory, to Avonlea Village, a farm tour, and a boat tour, where guests feasted on local island mussels, lobster and seafood as well as beef. Guests also enjoyed local music, and a tour of a rotating house.

Due to the extended tour, it was decided to have a silent auction this year. The auction is CCA's annual fundraiser for 4-H programs. The silent auction was held over two days. Thanks to the generosity of those who donated to the CCA auction, as well as the generosity of those who bid on items, a

total a total of \$1,867 was raised with the proceeds being split between the Canadian and PEI 4-H Foundations. Special thanks goes out to the PEICP for their help and support in staging the silent auction.

The 2014 Town Hall

The CCA Town Hall meeting was held following the conclusion of the semi-annual meeting. The CCA holds town halls in various locations throughout the year and since 2013 has used the successful town hall format as the convention portion of its semi-annual meeting. Sponsored by FCC, the town hall provides local beef cattle producers with the opportunity to learn about their national organization first-hand from the leadership and managers at the CCA, as well as get updates on the many important files being worked on. Area producers enjoyed updates and informative presentations from CCA officials and staff.

TESA Luncheon

CCA's 2014 The Environmental Stewardship Award (TESA) was held at the conclusion of the town hall. CCA Environment Committee Vice-Chair Bob Lowe presented the 2014 TESA to Sean and Tanya McGrath of Round Rock Ranching near Vermillion, AB.

The CCA congratulates the McGrath's for their extensive work in the area of environmental stewardship and thanks all of the 2014 TESA nominees for their efforts and commitment to environmental stewardship.

Committee Members: Dan Darling, Chair;
Bob Lowe, Ivan Johnson. CCA staff:
Anthony Murdoch, 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.

The past year was rare in that the agriculture policy framework was not being unveiled or being developed. The pending federal election set for October 2015 may keep development of Growing Forward 3 off the Federal Government schedule into 2016. By that time the midterm review of business risk management programs will be due. There will also likely be preliminary discussions on the next framework. There will be two years of experience with the revised business risk management programs and with the other programs of Growing Forward 2. The coming year is a time to get ready for the related consultations. Looking back there were several issues of interest to the committee.

Bill C-18 the Agricultural Growth Act

This legislation has taken much longer than expected to make its way through the legislative process. There is some risk in saying it should receive Royal Assent by the time this report is published but the process should be completed by the time the House rises before the election. The most controversial aspect of this legislation is updating plant breeders' rights. This update is seen to improve the environment for seed innovation and investment in Canada which is something that benefits cattle producers through expected enhanced forage productivity.

The bill also makes improvements to the Advance Payments Program (APP). Bred heifers will be an eligible commodity, the timeframes in the program are going to be improved, administrators are going to



be able to offer the program for more than just their commodities, and applications processes will be streamlined. These changes should improve the program for cattle producers and will help to boost uptake. This is positive as program administrators wonder why cattle producers are not accessing the program in greater numbers. As a group, cattle producers lag other crop types in use of the APP. The offer of an interest free advance on the first \$100,000 and up to \$400,000 in total could be something that helps an operation change their time of marketing or retaining ownership. The government definitely views the program as a tool for use in challenging times when cash flow is a temporary issue.

The legislation will also modernize several Acts to allow for consideration of foreign scientific reviews and allow for incorporation by reference. These changes should make for more nimble regulation, enhancing the ability of Canada's system to adapt to innovation and other changes.

A concerning area of the legislation is the increase in authorized fine amounts that can be levied under the *Administrative Monetary Penalties (AMPs) Act*. The Canadian Food Inspection Agency (CFIA) can administer AMPs for violations of regulations. If the agency moves forward in a risk-based enforcement scheme as per the modernization then the new amounts should be levied only when they are warranted based on the risk of the offence. This implementation will bear watching closely.

Price Reporting

Cash trades continue on their downward trend. Of note Texas cattle trade went through a period from October to time of writing with no cash trades on the fed market. Cash price reporting has been a big part of market information for a long time. Canfax, CCA's market analysis division, is adapting to reduced cash trade with an enhanced price reporting scheme to capture alternative marketing arrangements. This will help gather price information for transmitting market signals, and for program and other policy decision making. Canfax is also looking to research how this data relates to the cash market and what needs to happen to ensure the enhanced reporting system is robust.

Equally dependent on cash prices are some of the alternate arrangements that are 'cash plus or minus based on other parameters.' A thin or nonexistent cash market can hamper the accuracy of these alternative arrangements. Government programs such as AgriStability and Western Livestock Price Insurance also depend on price information. A broad and accurate price is needed to settle price insurance against the coverage that comes due in any given week. Canfax has had some weeks where there was not enough price reporting to post a price. That compromises price insurance.

At the Canadian Cattlemen's Association (CCA) Semi-Annual Meeting, policy was passed to lobby for price reporting to a third party to become a program requirement for all federal provincial programs that require cattle price data to operate. This would keep the system collecting data on exports which are a large and important part of the Canadian cattle market. It would also help to keep data robust enough and keep reporting from suffering from manipulation. One could make the case that checking for prices from a few large participants would provide enough information. That works when it does but it is open to manipulation or even inaccuracy by omission and error. To date the request of government to move on this has been met with resistance. This request is viewed as asking government to regulate to solve an industry problem that industry should be able to resolve.



AgriRecovery and Tax Deferrals

The repeat of flooding in many parts of Manitoba in 2014 produced frustration along with calls for AgriRecovery and tax deferrals. An AgriRecovery response was finally announced in early November. The components are transportation assistance for feed or livestock and a forage shortfall assistance for producers in the Interlake region. On December 30, a Livestock Tax Deferral provision was announced for producers forced to sell breeding stock in 2014 due to forage shortages caused by extreme weather conditions in designated regions in Western Canada. The provision enables eligible producers to defer a portion of sale proceeds of breeding stock to the following year. Improving the timeliness of AgriRecovery and tax deferral announcements remains a policy of the CCA.

Labour Shortages

Since the June 20 announcement of tightened provisions in the Temporary Foreign Worker (TFW) program many groups including the CCA have been working to understand the new processes. These continue to unfold with Express Entry beginning January 1. The June announcements included some exemptions for primary agriculture and brought feedlots into the primary agriculture stream. To date there has not been a fix for the loss of how the program was used. The TFW program was being used as a source of new Canadian workers. During the four years of their allowed stay workers that wanted to become Canadian residents and who were supported by their employer became new Canadians. This is not how the TFW program was supposed to be used but it was being used that way. Work continues to replace this lost process for primary agriculture.

Meat processing plants are short more than 1,000 positions. They also were using the TFW program to meet shortages, to expand and as a source of new Canadians. Efforts to ensure that a flow of low to medium skilled employees will be allowed to flow into Canadian meat plants, with the plan to make them permanent workers and Canadians have been frustrating to date. The Express Entry program is for high skilled workers only.

The repeat of flooding in many parts of Manitoba in 2014 produced frustration along with calls for AgriRecovery and tax deferrals.

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This issue continues to be a big focus of the CCA as opportunities are already being missed at the farm, feedlot and processing plant level due to labour shortages. Growth through new market access is not happening as processors are shipping unfinished product elsewhere for value adding or turning custom orders away as they need the employees they have to keep basic flow through their plants at current levels. It is a concern that at some point low capacity

plants will be closed as global operations compare efficiencies and Canadian plants do not make the cut.

Committee Members: Rob Somerville, Co-chair; Bob Gordanier, Co-chair; David Haywood-Farmer, Bob Lowe, Lynn Grant, Perry Rasmuson, Ramona Blyth, Tom Wilson, Ivan Johnson, Jennifer MacDonald, Tom Teichroeb, Joe Hill, Warren Schneckenburger, YCC ex-officio. CCA Staff: Ryder Lee.

Environment Committee Report

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.

Environmental and sustainable discussions continue to bring interest to the Canadian and global beef industries. Canadian beef producers have helped to lead this conversation to ensure a scientifically sound and economically viable discussion takes place. Through realistic but meaningful actions and communication on beef sustainability industry will be in an excellent position to help further build upon the Canadian Beef Advantage.

Global and Canadian Roundtables for Sustainable Beef

The Global Roundtable for Sustainable Beef (GRSB) held a global conference in November to roll-out the newly adopted GRSB Principles and Criteria for Sustainable Beef, discuss measuring sustainable beef supply chain progress, explore communicating sustainability with the consumer, address global resource efficiency and communicate the vision, future direction and role of GRSB. The roll-out of the Principles and Criteria was well received and it is now the responsibility of the regional roundtables to develop indicators appropriate for their region.

In September the Canadian Roundtable for Sustainable Beef (CRSB) held its first annual general meeting (AGM). The AGM involved a review of the CRSB's work accomplished over the last year. The organization has been focused on; establishing CRSB as a functioning organization, undertaking a benchmarking sustainability assessment of the Canadian beef industry, communication with members and stakeholders and



engaging with the GRSB on defining sustainable beef. These priorities will continue into 2015.

New priorities for the CRSB going forward for 2015 include undertaking the development of sustainability indicators, continuing to build and coordinate the Canadian beef industry's sustainability delivery mechanisms, enabling the utilization of existing programs in Canada to help verify sustainable beef (VBP, Beef InfoXchange System (BIXS), Environmental Farm Plans, etc.) and communicating with targeted external stakeholders.

Sustainability Assessment

The CRSB commissioned Deloitte to conduct a strategic assessment of the social and environmental impacts of the cattle industry and the development of a comprehensive and adaptive social and environmental sustainability strategy. The foundation of

the project is a life cycle assessment (LCA). A LCA is a standardized biophysical accounting framework used to assess the environmental performance of products, processes and services, and to provide a comprehensive approach to understanding relationships and trade-offs between environmental and social impact categories.

The purpose of the LCA study is to generate information on the environmental and socioeconomic impacts of the Canadian beef industry. Ultimately, this information should enhance industry's ability to communicate to Canadians and international trading partners on the environmental and social benefits of Canada's beef industry. This information will also be used to better inform all stakeholders about what areas require additional research and focus.

Canfax Research Services is also doing an economic portion of the study to cover all three of the pillars of sustainability. Stages of the projects include a SWOT (strengths, weaknesses, opportunities and threats) analysis, the identification of key performance indicators (KPIs) to build a sustainability dashboard, and the edition of recommendations in terms of best management practices and strategy building across the value chain.

For the LCA, the following tasks have been completed: setting LCA production system boundaries, defining the goal and scope, setting scenarios and sensitivities, literature review and gathering of generic data, farm survey draft, currently testing with a small group of producers, methodological aspects defined for most of the study, (currently



working on biodiversity, water and carbon sequestration), critical review panel selected. The current task being undertaken is having producer surveys filled out. The goal is to have about 80 beef producers to complete the survey. It's anticipated the LCA project will be completed next summer.

McDonald's Pilot Project

McDonald's is undertaking a sustainable beef pilot project in Canada. To complete this McDonald's has developed draft indicators to identify sustainable beef. The pilot is currently working with a test group to try out the draft indicators and to try to find ways

to verify them. This is a learning process for everyone involved, fortunately McDonald's has been engaged with Canadian Cattlemen's Association (CCA) since the beginning and are open to producer input as they recognize the valuable knowledge that producers have on producing sustainable beef.

The next step will be to take the learnings from the first group and broaden the scope of those involved. McDonald's has developed a steering committee for the project with people from a multitude of backgrounds, including producers, and they will be engaged throughout the pilot project.

McDonald's has been very clear throughout the pilot project that they hope this will help inform the future development of indicators for sustainable beef in Canada. Over the next year the CRSB will be undertaking the development of indicators for Canada, utilizing the lessons from the McDonald's pilot project.

Verified Beef Production™ Program

Development of the 'VBP+' program continues, the project will see the existing Verified Beef Production™ program (VBP) evolve from what is currently a single focus being food safety, to a four-component VBP 'Plus' program that also addresses biosecurity, animal care and environment. Consulting company, Serecon, has been contracted to develop the environment module for the program. In addition a group of individuals has been assembled to advise on the development of the module.

Species at Risk

Currently the *Species at Risk Act* places unjust liability on private landholders to protect species at risk. The Act has created a loss of real and perceived landholder rights and placed unjust liability on Canada's farmers and ranchers. The CCA continues to engage with the Federal Government, such as at the recent Ministerial Roundtable, to encourage the Environment Minister to take a made-in-Canada stewardship approach to protecting species at risk and avoid the confrontational litigious atmosphere south of the border. The Canadian beef industry encourages the government to do everything possible to implement an Act that is truly based on the stewardship approach. Much greater success will be achieved through collaborative stewardship than cumbersome regulation.

Canadian Cattlemen's Foundation

The Canadian Cattlemen's Foundation is working on developing governance documents and investment guidelines. A number of potential community foundations are currently being approached to find the most appropriate organization to partner with.

Committee Members: Lynn Grant, Chair; Bob Lowe, Vice-Chair; Martin Rossmann, Doug Sawyer, Bryan Thiessen, Pat Hayes, Reg Schellenberg, Joe Hill, Heinz Reimer, Jennifer MacDonald, Tyson Lowe, YCC ex-officio; CCA Staff: Fawn Jackson.

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1. Giguère S, Huang R, Malinski TJ, Dorrr 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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Foreign Trade Committee

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.

The United States

The final World Trade Organization (WTO) compliance panel ruling was released on October 20. As expected, it was very strongly in Canada's favour indicating that the May 2013 U.S. Department of Agriculture (USDA) regulatory amendment to mandatory Country of Origin Labeling (COOL) does not comply with the WTO. Also as expected, the U.S. appealed the ruling as was their right to do. The Canadian Cattlemen's Association (CCA) believes the U.S. appeal will only delay the inevitable that the U.S. will either have to amend the COOL legislation to eliminate the discrimination against imported livestock or face retaliatory tariffs by Canada and Mexico. The CCA estimates that Canada could be in a position to impose tariffs on U.S. exports sometime in the summer of 2015.

In the meantime, even the threat of tariffs is starting to have an effect on U.S. producers of the named products. Those affected U.S. companies are already starting to press their legislators into action. In the appropriations legislations passed in December 2014, Congress issued an instruction to the Administration to report no later than May 1, 2015 on a potential legislative resolution. On the one hand, this instruction acknowledges that the issue needs a legislated resolution, but it lacks the sense of urgency that should be dictated by the timeline for WTO authorization of retaliatory tariffs. The CCA is working with its U.S. allies to ensure that a legislative solution that genuinely resolves the discrimination is pursued.



In the U.S. court, the appeal of the denial of a preliminary injunction to prevent the USDA from enforcing the COOL regulations reached its conclusion when the Court of Appeal delivered a negative decision on July 29. When the case was initiated in mid 2013, it was hoped that seeking an injunction could be a timely way of achieving some relief while awaiting a result in the WTO process. Now that the WTO process is close to reaching its objective, there is no need to pursue further process in the U.S. courts at this time.

European Union

Since the substantive conclusion of the negotiations for a Canada-Europe Comprehensive Economic and Trade Agreement (CETA) in October 2013, much work has continued to establish the various technical details. A significant issue that was negotiated through the spring of 2014 was the method by which the new CETA beef and pork quotas will be administered. The CCA believes that the system revealed in final

form along with the rest of the CETA text in September 2014 is workable for Canadian beef exporters even if it is more complicated than it needed to be. Also revealed in the final CETA text was the transition schedule for the beef quota quantities that will be phased-in in six steps over five years.

For beef access to the EU, one of the most important elements 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 CCA understands that Canadian and EU regulators have been making progress on this front with a view to establishing full equivalency of the respective meat inspection systems. 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 it is conditioning its support for CETA on the achievement of genuinely trade facilitating technical conditions.

Korea

On January 1, 2015, the Canada-Korea Free Trade Agreement came into effect. This timing coincided with the fourth tariff cut on U.S. beef under the Korea-USA Free Trade Agreement (FTA) and the second cut on Australian beef. The Korean 40 per cent tariff on beef imports is being eliminated for the U.S., Australia and Canada all at the same pace of 15 equal cuts over 14 years.

The Korean 18 per cent tariff on beef offals is being eliminated at a faster pace for Canada than it is for the U.S. and Australia. Canada will have a tariff advantage on offals over Australia starting in 2017 until 2028. Conversely, Canada will catch up with the U.S., on offals in 2022 and then will have three years of tariff advantage from 2023 through 2025.

Trans-Pacific Partnership

Commitment amongst Trans-Pacific Partnership (TPP) members to reach an agreement remains high, yet the difficult aspects of the negotiations remain. For most of 2014, all eyes were on the Japan and U.S. discussions with much speculation as to how any results from their discussions would apply to the other ten TPP members. Following the summit held by U.S. President Barack Obama and Japan's Prime Minister Shinzo Abe in April, it was declared that Japan and the U.S. had reached a breakthrough, although this remained undefined. Over the rest of the year, speculation was that the 'breakthrough' involved the U.S. backing down from insisting that Japan would need to fully eliminate its tariff on sensitive agricultural products, including beef. The U.S. agriculture industry reacted negatively to this speculation and enlisted the U.S. Congress to communicate to the administration that such a result would be unacceptable. By December, most TPP countries seemed less in the dark regarding the details of other countries' bilateral progress and were moving forward on their own bilateral discussions.

An important hurdle was overcome on December 14, 2014 when Prime Minister Abe was strongly re-elected.

An important hurdle was overcome on December 14 when Prime Minister Abe was strongly re-elected. Prime Minister Abe's policies of economic reform, known as Abenomics, involve significant liberalization of access for imports into the Japanese market, including for agricultural and food products. The election was viewed, at least in part, as a referendum on TPP.

Attention for 2015 will now turn to whether the new U.S. Congress will equip the U.S. Trade Representative (USTR) with negotiating authority. Until that happens, it seems unlikely for Japan, Canada and others to offer their best deals to the U.S. In the meantime, expect posturing orchestrated by the U.S. dairy and poultry sectors who have succeeded in having Congressional fingers pointed at both Japan and Canada as members that are not offering sufficient access in the negotiations.

Japan

There have been seven negotiating rounds toward a Canada-Japan bilateral free trade agreement. However, CCA's observation is that the primary focus of both countries is on the TPP. Market access offers have still not yet been exchanged in the bilateral process. The CCA believes it is fair to say that this negotiation is being given just enough priority to keep pressure on the TPP. If the TPP should falter, then activity in this bilateral process should pick up.

Labour

The CCA has regularly been raising labour shortages with government officials and MPs as having a detrimental impact on its ability to add value to carcasses and take advantage of opportunities under both existing and new trade agreements. It has also been emphasized that the cattle sector will be vulnerable if a decision is made to close a packing plant due to Government of Canada policies that exacerbate chronic labour shortages. For more information on the CCA's activities on the labour shortage, see the Domestic Agriculture Policy and Regulations report on page 20.

China

All of the technical work to achieve bone-in under-thirty-month (UTM) access to China has been done and the CCA feels that China should have expanded market access to include bone-in UTM by now. Agriculture and Agri-Food Canada Minister Gerry Ritz's mission to Beijing in June would have been an ideal time to announce it and when that did not happen, it was hoped that it would be announced during Prime Minister Stephen Harper's mission to China in November. It appears to the CCA that unrelated political issues may be getting in the way of China approving this new access for Canadian beef. Despite the lack of progress on this front, boneless UTM has been making strong improvements in China due to a growing middle class with an increasing demand for beef. The Chinese government has decided that this demand cannot be satisfied with domestic production and recognizes the need to enable beef imports.

Mexico

Imports of Mexican beef to Canada commenced in March 2014. While they have not yet been significant enough to be identified separately on the weekly stats reports, the CCA has had anecdotal reports from importing companies that muscle cuts are the primary beef products that are coming from Mexico.

Mexico has approved over-thirty-month (OTM) imports from the U.S. and in doing so, has also allowed beef from Canadian OTM cattle slaughtered in the U.S. to qualify. The CCA continues to press for OTM beef direct from Canada to complete the normalization of Canada – Mexico beef trade.

OIE BSE Status

There are several criteria that countries must meet to achieve Bovine Spongiform Encephalopathy (BSE) negligible risk status at the World Organisation for Animal Health (OIE). These include the level of surveillance, specified risk material (SRM) removal, robustness of feed ban and length of time since latest born case. Canada is in a strong position on all of the criteria except that it has not yet been 11 years since the last case, which was born in the fall of 2004. Assuming Canada does not confirm a later born case, Canada will be in a position to apply for negligible risk status in the fall of 2015 for approval at the OIE annual meeting in May 2016.

Supplemental Import Permits

Canada had not issued a supplemental import permit from 2005 until 2014. In that nine year period, the lack of permits was not because of any moratorium on them,

but rather because the criteria for receiving a permit was tightened considerably and was strictly enforced. In late July 2014, the government determined that an application for a supplemental permit had satisfied the criteria and a permit was issued for approximately 1,090 tonnes of frozen boneless trim from Australia.

Among the criteria, the applicant had to submit documentation that they had attempted to source the product within Canada and were unable to do so. With what is known about current market conditions in Canada in 2014, it is not difficult to imagine that an inability to source sufficient quantities of domestic trim existed.

Russia

Access for Canadian beef was first impeded due to Russia's ractopamine ban in 2013. In 2014, Russia further prohibited beef and other food products from Canada and other countries in retaliation for economic sanctions placed on Russia by the international community following Russia's invasion of Ukraine. As Canadian beef access is caught up in larger geo-political issues, the CCA is choosing to devote resources to other market access issues for the time being.

Committee Members: *Dan Darling, Chair; Doug Sawyer, Vice Chair; David Haywood-Farmer, Cathy Sharp, Rob Somerville, Bryan Thiessen, Brent Griffin, Tom Teichroeb, Bob Gordanier, Larry Delver, Tom Wilson, Eric Buyer, YCC ex-officio; CBI, CBBC. CCA Staff: John Masswohl, Mark Klassen, Dennis Laycraft.*

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. Essentially a 'watch dog' committee, the Value Creation and Competitiveness Committee strives to keep industry eyes on important areas not fully addressed elsewhere and influence positive outcomes.

Active Issues 2014

- Strong need for continued advocacy to address labour shortages with Federal Government departments and provincial immigrant nominee programs. Willing and qualified Canadian labour is not available to the extent needed in the agriculture and agri-food sectors. This is the single greatest impediment to value-added meat product opportunities.

Recommendations from a national all-sector Labour Task Force outline 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 governments and the public understand the need and misperceptions are addressed.

- Monitoring meat quality and safety research including a new recommendation for cooking steaks to rare temperature with Health Canada, and interventions such as lactic acid wash and irradiation petition. A one year study of liver abscesses is underway with 70 feedlots.
- Revisions to the Beef InfoXchange System (BIXS) to enhance user friendliness, and continued support to expand this program with increased producer involvement. This Internet-based program serves cow-calf producers, feedlot operators, and meat packers with an exchangeable database linked to the RFID



tag. It is the largest database of its kind in the country, with 3 million detailed carcass records and 3.4 million animal birthdate records. [see full report on page 27]

- Progress of Canadian Cattlemen's Association (CCA's) leadership development program, Cattlemen's Young Leaders (CYL), and the associated work on beef education for the public and for potential speakers on cattle production. The second level of Beef Advocacy Canada online course is due sometime in 2015.
- Updates on producer issues with Canadian Cattle Identification Agency (CCIA) such as tag retention and cattle movement reporting.

- Regulatory change upgrades regarding responsibilities carried out by the Canadian Beef Grading Agency, including a request to change to U.S. yield grade classes.

Enhancements to the Verified Beef Production™ (VBP) program began this year, to add modules for animal care, environmental stewardship and biosecurity. Existing standards and programming will be used to incorporate modules which are potentially auditable and low-cost. An overall steering committee includes several individuals involved in the Canadian Roundtable for Sustainable Beef. The steering committee for 'VBP-Plus' (VBP+) is chaired by CCA Vice President Dan Darling, and

includes members from retail, food service, beef marketing, cow-calf and feedlot sectors. A systematic risk assessment approach is underway to determine priority education and on-farm audit possibilities.

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

Committee Members: Cathy Sharp, Chair; Howard Bekkering, Brent Griffin, Ramona Blyth, Dan Darling, Matt Bowman, George Smith, Rob Somerville, Brodie Haugen, YCC ex-officio; CBBC. CCA Staff: Terry Grajczyk, Mark Klassen, Larry Thomas.



Preg checking cattle. Photo credit: Sherri Grant

Beef InfoXchange System



Across the summer and fall of 2014 Beef InfoXchange (BIXS) staff and contractors continued work on the initial release of the beta version of BIXS 2.0. Bug tracking and logging based on feedback from users helped develop a list of issues and identify needs. Included in this was the need for the Canadian Cattle Identification Agency (CCIA) to build a new web services call to address issues when large numbers of feedlot cattle move-ins were uploaded into BIXS. While we waited for that build Arcurve, the software development firm contracted for BIXS 2, completed the remaining fixes. Once the CCIA work was completed the next release of BIXS 2.0 beta occurred in December. At time of writing it appears the new build has addressed the needed fixes and issues.

BIXS staff has working closely with McDonald's on the Verified Sustainable Beef pilot project. By mid-December the draft enrolment process as well as the draft work plan had been created. We expect the initial stages of the pilot to initiate in the first quarter of 2015 with BIXS 2 as the platform. We have also had meetings with Loblaw's senior staff to fully explain and demonstrate the workings of BIXS 2 as it could pertain to their announced support of sustainable beef claims standards.

Once the system became fully functional and effective the Canadian Cattlemen's Association (CCA) always intended to join forces with industry to maximize BIXS' reach

and potential. In fact, it was a condition of funding for BIXS to eventually become self-sustaining. To that end, the CCA held consultations with industry stakeholders on the role of BIXS in supporting a strong and sustainable Canadian beef industry, and has discussed at length the potential for working with other partners to realize its objectives. After months of discussions and scoping, in November the CCA signed a binding letter of intent to partner with ViewTrak Technologies Inc., to form a company to take BIXS to the next level and address the need for self-sustenance.

At time of writing the final agreement had yet to be signed and BIXS staff were working closely with ViewTrak introducing and meeting with its existing partners and third parties in a continued due diligence effort.

The priorities of the new company will be to increase the functionality of BIXS to allow producers to better track information and manage their businesses, continue to engage industry stakeholders in expanding BIXS' role in supporting a strong and sustainable



Photo credit: Jennifer MacDonald

Canadian beef industry, and improve the response to the growing demand by consumers and retailers for verifiable and sustainable beef products—critical for the growth of the industry.

Under the partnership agreement, ViewTrak will provide capital to improve and expand BIXS. The board of the new company will have five directors, two each from CCA and ViewTrak and the fifth director acceptable to both ViewTrak and CCA. Experienced BIXS staff will continue on with the new company. If the partnership is unable to build BIXS into

the business envisioned, BIXS will revert to the CCA.

ViewTrak produces China's number one pork grading tool and is a partner in the Canadian Lamb Cooperative Grading Program. ViewTrak has also created a web based software program for the South Dakota Department of Agriculture that allows enrolled producers to make specific marketing claims about the quality of their beef.

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Canada Beef



For Canada Beef 2014 has been about starting to make emotional connections and really building a brand consumers recognize for its world class quality, around the globe.

Canada Beef found new and innovative ways to reach the consumer in Asia. Canada Beef's Asian offices created two mascots named Rocky and Maple who visit events to build consumer attachment. They also built cooking classes for adults and children to help consumers maintain and grow family values around meal time.

In Japan, Canada Beef focused on consumer marketing to leverage the emotional and functional attributes of Canadian beef. In Japan's strategic approach, Canada Beef collaborated with culinary experts to provide innovative brand positioning to differentiate its brand marketing in both retail and foodservice segments. The greatest marketing success was Canadian Hamburger Steak Fair at Gusto with over 640 stores nationwide. Gusto is the largest casual dining restaurant chain in Japan. This had a great impact on the Japanese consumer to increase exposure and recognition about the quality and taste of Canadian beef.

With the Federal Government's announcement of four new Canadian trade offices in China earlier this year, Canada Beef ramped up activities in China alongside the trade commissioners. The recent addition of Canada Beef staff and reallocation of

market development resources will allow the Canada Beef International team in China to focus on immediate and strategic market growth. Efforts include facilitating hands-on educational opportunities to feature the Canadian Beef Advantage with the ultimate goal of creating Canadian beef brand loyalty.

Events such as the Canadian Beef Branding Series in Guangzhou, which was attended by Agriculture and Agri-Food Canada (AAFC) Minister Gerry Ritz in November, will continue to drive the brand and immerse customers and consumers in the Canadian beef story in international markets.

The 'Canadian Beef Culinary Series' has captured both local, and international media attention, and reaches a wide variety of consumers and chefs.

Canadian beef reached new heights in the Hispanic hub this year, due in part to the significant promotion and partnerships with Karisma Hotels & Resorts, Jackson Family Wines, and Air Canada Vacations. The 'Canadian Beef Culinary Series' has captured both local, and international media attention, and reaches a wide variety of consumers, chefs, and has a direct impact on the Mexican foodservice industry, especially high-end hotel chains. This innovative investment project leveraged funds, technical resources and in-kind contributions from four world class brands and proudly and positively associated the Canadian beef brand with other world class brands, Air Canada, Jackson Family Wines and Karisma Hotels.

At home in the North American space, Canada Beef's efforts to build the story



around the brand have spanned from attending trade shows to spreading the word face to face, to joining retail and restaurant partners in telling the actual story of where beef comes from. In Canada, this means partnerships with Ontario Corn Fed Beef and Loblaw's to bring the ranch experience to the consumer. All of these efforts allowed the connection to food supply to be told from the voices of actual producers.

Also in Canada, Canada Beef and its provincial partners joined forces to launch a partnership with the Canadian Football League (CFL), to highlight beef producers on a national level. With regular season activation spaces supported by the provincial associations and their own brandmarks, and the Canadian Beef brand being leveraged through the playoffs, Canadian producers across the nation have been recognized to a new and engaged audience. This proved a successful opportunity to leverage beef's nutritional value, as well as bring consumers closer to the beef farmers and ranchers of Canada.

Tim Hortons and Subway launched successful national campaigns highlighting Canadian beef in the fall of 2014. Sharing the Canadian beef story through these partners allowed the Canadian beef brand to reach new audiences and gain new exposure alongside other valuable Canadian brands.

The partnerships also allowed industry stakeholders to engage with the brands and share their experiences online with one another, continuing to bring the Canadian beef story closer to consumers.

The Physician Education Program, which has reached almost 1,000 unique physicians via one-on-one outreach in doctors' offices and a similar number via key physician conferences, allowed the Canada Beef nutrition program to have in-depth, impactful, detailed conversations with this key influencer audience resulting in concrete attitude changes. A formal survey of doctor participants was conducted in January 2014, and results showed that one in three doctors surveyed changed their recommendations on lean beef following their participation in the Physician Education Program.

This next year will see an ever increasing movement to making a consistent global strategy around bringing meaning to the brand which will be punctuated with the opening of the Canadian Beef Centre of Excellence. The centre of excellence will be a new brand beacon uniting the Canadian beef community and provide firm grounding for an invigorated beef identity. By partnering with AAFC as well as Western Economic Diversification, Canada Beef has been able to secure an additional \$3.8 million in funding for the centre of excellence. Linking the value chain and developing synergy is critical in today's business environment. The centre has been designed as a focal point for the Canadian beef industry to enable connectivity and collaboration.

Respectfully submitted,

Jack Hextall
Chair, Canada Beef

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, board and staff at the Canadian Beef Breeds Council (CBBC), we are pleased to present our briefing report to the Canadian Cattlemen's Association (CCA). CBBC extends its sincere appreciation to the Government of Canada, the Government of Alberta, the Government of Saskatchewan and the Canadian beef industry for their continued support of the Canadian purebred beef cattle sector, through the Legacy fund and Growing Forward 2 programs. A recipient of Legacy funds since 2006, the CBBC has invested in numerous international marketing initiatives to develop market access and increase farm profits post-Bovine Spongiform Encephalopathy (BSE).

CBBC's focus is to ensure recognized representation for the purebred sector within the Canadian beef and cattle industry. The CBBC will continue to engage and work with both industry and governments at home and abroad to represent and promote Canadian



pedigreed beef cattle genetics. As the recognized representative for the sector, the CBBC's focus plays out in five main areas.

A Focus on the National Beef Strategic Plan

As the beef industry develops its dynamic collaborative process engaging all industry sectors and national and provincial beef organizations, the CBBC is proud to play an integral role in the Canada Beef Advisors, a diverse group of industry representatives. This group in collaboration with provincial beef cattle organizations developed the National Beef Strategic Plan. Unwavering in its support of the national beef strategy, CBBC believes that a united industry is a stronger industry, and that all participants will benefit from this initiative.

A Focus on Legacy

In its ongoing efforts with the Canadian Cattlemen Market Development Council (CCMDC), the CBBC entered year two of a three year International Marketing Strategy, including a 2014/15 Market Implementation

Plan. This comprehensive strategic marketing plan for the organization is reaffirmed annually through strategic planning with the membership to establish goals and priorities in export markets. The CBBC enlists the support of its membership to execute activities within the plan. The CBBC is fortunate to have a membership with extensive experience and success in global markets.

A Focus on Domestic Awareness and Collaboration

A key focus for CBBC will be its collaboration with other stakeholders in the Canadian beef industry. Today, organizations recognize the importance of working together and elimination of redundancies. These efficiencies are necessary to create a sustainable and successful beef production chain. In essence, the purebred beef cattle sector in Canada is the genetic foundation for the Canadian beef industry but recognizes that it takes each sector to flourish to make the system work. A production chain that works together is fundamental component to achieving success.

A Focus on the Beef Value Chain and Market Development

The importance of the purebred sector in the Canadian beef supply chain is the primary focus for CBBC. However there has been a renewed commitment to focus on the needs of the commercial cattle industry. The adoption of new technologies by purebred producers benefits commercial cattlemen by providing them with new tools to select cattle with greater accuracy that suit their operation.

With a new logo and website, CBBC is demonstrating its commitment to engage with international customers and the Canadian beef industry. The newly designed trade show booth and brochures will be utilized at various international and domestic trade shows and livestock exhibitions to provide resources as to the merits of Canadian purebred cattle.



A Focus on Value and Capacity Building

CBBC recognizes that value can be created and maintained through consistently delivering quality products and services. Rather than only focusing on volume, we are pursuing opportunities that generate the highest value or greatest return for Canadian producers.

Respectfully submitted,

Michael Latimer
Executive Director, Canadian Beef Breeds Council

Canadian Cattle Identification Agency (CCIA)



Tag Distribution

By means of the Tag Supply Chain Optimization Project, Canadian Cattle Identification Agency (CCIA) is now providing distribution and logistics services for beef cattle tags through ~800 authorized tag dealers across Canada as well as through a quick and easy-to-use, direct-to-producer web store at tags.canadaid.ca and toll-free tag order services at 1-877-909-2333.

The change in tag distribution has streamlined tag data and tag distribution processes for the approved tag dealer network as well as non-breed specific beef producers, resulting in enhanced data integrity within the Canadian Livestock Tracking System (CLTS) database.

Every non-breed specific beef producer that has a CLTS account also has a corresponding web store account. These linked accounts allow for immediate issuing of purchased tags to a producer's inventory and maximized tag data accuracy – both key to an efficient livestock traceability system.

It takes fewer than five minutes to activate a direct-to-producer web store account, choose and order from the full array of approved tags and applicators, and have the supplies shipped to an address of choice in three to five business days.

As the national administrator for beef cattle identification and as a not-for-profit, industry-initiated organization led by a



board of directors representing 16 producer associations from all sectors of the livestock industry, CCIA is responsible for maximizing tag data integrity in the CLTS database and to ensure producers have uninterrupted access to approved CCIA radio frequency identification (RFID) tags in Canada. CCIA designed and launched this 24-hour online ordering system to maximize the integrity of beef tag data maintained in the CLTS database, and to save producers time and money.

Canadian Food Inspection Agency
Consultation Process on Draft Compliance, Control and Enforcement Framework

The Cattle Implementation Plan (CIP) committee met throughout 2014 in-person and via teleconference to develop updated/

enhanced definitions for purposes of clarity regarding the CIP's details, phasing and timelines; as well as support and task its Technical Solutions subcommittee to make direct contact with CFIA to discuss technological opportunities and solutions for implementing animal movement recording and reporting.

In December 2013, Canadian Food Inspection Agency (CFIA) implemented a first-round of consultations with industry on the Draft Compliance, Control and Enforcement Framework, which describes CFIA's vision and approach for facilitating and verifying compliance, preventing non-compliance, controlling risk and responding to non-compliance to regulations in support of livestock identification and traceability in Canada.

In direct response to the first-round of consultations that CFIA initiated with industry in December 2013, CCIA's CIP committee met to discuss how the options described in the framework are incongruent with industry's needs, and to prepare a response to CFIA in Ottawa. Along with other producer-focused organizations, CCIA submitted official correspondence and sent the CIP's Technical Solutions subcommittee for an in-person meeting with CFIA in Ottawa to discuss how the proposed framework differs from the CIP, which is industry's roadmap to identify the targets, steps and issues in implementing a sustainable, effective and efficient cattle traceability system for Canada.

NOTE: The most current version of the CIP is online within CCIA's home page at www.canadaid.ca and www.canadaid.ca/fr/, in English and French respectively.

In 2014, the CIP created a Tagging Sites subcommittee to work on gaining further understanding of tagging sites under the current regulations; provide a definition that covers all forms of tagging sites and a clearer reference to current animal identification regulations and business flow at tagging sites; as well as propose amendments to CFIA tagging site regulations in Ottawa in early 2015. Tagging sites play an important role in animal identification by ensuring that approved tags are properly applied to cattle and bison that have not been tagged prior to being transported, as well as data integrity by recording all such tag applications in a timely

manner, which enables faster and more efficient animal trace-back if needed. To ensure cattle and bison producers are aware of and have access to local tagging sites.

CCIA publishes a list of all approved tagging sites within CCIA's home page online at www.canadaid.ca and www.canadaid.ca/fr/, in English and French respectively.

CCIA is providing full support for tagging sites as they confirm their tagging site status within the CLTS database to meet the amended section 183 (Tagging Sites) of the Health of Animals Regulations, which came into force July 1, 2014. The tagging site's authority to issue approved CCIA RFID tags and report that information to the CLTS database remains the same. Tagging sites that issue approved tags are subject to requirements under section 174.1 of the regulations. If a tagging site sells approved CCIA RFID tags, that tagging site must become a CCIA-approved tag dealer to comply with CFIA regulations.

The CIP's two pending issues include the tagging site regulation clarification as well as creating a process for tag activation of transient animals exported from Canada to U.S. and then returned to Canada. In terms of targets for 2015, members of the CIP Committee agreed to work together to achieve 90 per cent premises identification in each province/territory by January 2016, regardless of provincial/territorial regulations. In order to reach this target,

CCIA and AAFC are preparing a strategy in support of a joint communications effort for a regional and national PID outreach. As stakeholders and funding opportunities are currently being reviewed, more information will be released on this initiative in early 2015.

Canadian Agri-Traceability Services

Canadian Agri-Traceability Services (CATS) has been working with industry stakeholders to develop one national traceability database, including: Agri-Traçabilité Québec (ATQ) by building the database, application, data exchanges and preparing for launch in Quebec; gathering business rules at CCIA; assessing data exchanges with partners; converting existing information into CATS; and adapting and migrating the PigTrace system into CATS for Canadian Pork Council (CPC).

CATS made tremendous headway in terms of business development in 2014 by recruiting an executive director and finance and accounting manager, IT project director, project control officer, business analyst, senior hardware architects and IT teams (in Longueuil/ATQ and Calgary/CCIA); arranging office space in Ottawa (CPC), Longueuil (ATQ) and Calgary (CCIA) with office IT set-up; developing branding strategy/logos, corporate policies and bylaws; selecting an audit firm; implementing a governance structure; holding 12 board of directors meetings and establishing a senior project advisory committee; developing a five-year budget and work plan; developed a project charter, risk register, statement

of scope and project plan for gathering business rules. CATS was included on implementation committees for beef and dairy cattle, bison and sheep in 2014 – anticipating being included on committees for goat, cervid and pig sectors in 2015. The specific functions, look and feel will depend on the needs and business requirements of each stakeholder. The four key components: database, hardware architecture, application development and data exchanges. CATS will establish processes to accept electronic manifests, mobile submissions as well as direct/online submissions of information to the database. CATS will work with key stakeholders to convert information on paper manifests into information that is available electronically.

CATS is working with the CIP Committee and its sub-committee the Cattle Movement Reporting Working Group to review options for cattle movement reporting through intermediate sites in order to understand how to implement a movement reporting approach better, based on the CIP; to meet the needs of industry; and to minimize the burden and impact on the speed of commerce.

Respectfully submitted,

Brian Caney,
General Manager, Canadian Cattle
Identification Agency





The Cattlemen's Young Leaders (CYL) program has been very successful with the help of foundation partners: Canadian Cattlemen's Association (CCA), Alberta Livestock and Meat Agency (ALMA), Cargill, UFA and 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. CYL's sponsors are active and necessary participants in program activities such as the candidate selection portion of the spring forum or as speakers at CYL events.



Cattlemen's Young Leaders Program

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

In 2013, CYL Step 2 was launched with support from ALMA and other program partners. CYL Step 2 is an initiative that 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. Since implementing this initiative the program has worked with Foundation Partners, Canada Beef, Ag More Than Ever, Agribition, the Toronto Royal Winter Fair, the Calgary Stampede, CCA's provincial partners, McDonald's and other retailers to utilize these young and enthusiastic advocates in reaching society, specifically consumers.

CYL Step 2 has and 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. CYLs have also participated in business skill development and governance training. Skill sets acquired by the CYLs during these training sessions are valuable when participating in leadership roles now and in the future.

Beef Advocacy Canada Program

The CCA and Canada Beef have teamed up to 'Canadianize' the National Cattlemen's Beef Association (NCBA)'s Masters of Beef Advocacy Program (MBA). The MBA program is an online course that consists of six units of material:

- Beef Production,
- Beef Safety,
- Animal Care,
- Beef Check-off,
- Environmental Stewardship and
- Beef Nutrition.

The goal of the program is to train effective spokespeople for the beef industry.

The CCA and Canada Beef have identified the need to train more spokespeople for the Canadian beef industry, especially in light of the recent challenges that industry has faced. The Canadian program is called the Beef Advocacy Canada (BAC) Program and will consist of two tiers of course work.

The first tier is very basic and serves an audience that includes producers, consumers and retail workers. The second tier of coursework will be available to producers and those that have the desire to advocate for the beef industry. It will focus on the areas of industry that raise questions with consumers, including some of the more sensitive subjects.

The coursework will concentrate on key messaging and background information. Those that graduate from the two tiers of course work will also undergo media training. The graduates will be able to access a resource library that includes material from several industry organizations and will receive email updates on timely information concerning our industry. The first level of course work was launched at the CCA Annual General Meeting (AGM) in Ottawa March 2014 and the second level is set for launch in February 2015.






Young Cattlemen's Council (YCC)


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


During the 2014 Canadian Cattlemen's Association (CCA) Annual General Meeting (AGM), the Young Cattlemen's Council (YCC) Terms of Reference (TOR) were approved for two years with an annual review. At the AGM council members had an open meeting and attended their respective CCA committee meetings.

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

The YCC has been active on social media and has developed a Facebook page, website and twitter.

 www.facebook.com/YCC.beef

 www.youngcattlemencouncil.com

 Twitter at @YCCbeef.

The website also houses the online member application form. Members of YCC receive a quarterly newsletter with industry and YCC updates and a message from sponsors. Establishing a membership base has expanded and continues to expand their communication reach.

The YCC held its AGM and election on December 12th in Edmonton in conjunction with the Cattlemen's Young Leaders (CYL) Fall Forum, seeing YCC membership participate in a formal election process to fill three at-large council positions and one council member spot.

The YCC would like to thank all those that let their name stand and is happy to recognize the following young cattlemen and women as the new YCC Council members:

Laura Bodell, Alberta Member at Large
Rae-Leigh Pederzoli, Alberta Member at Large
Shane Klepak, Saskatchewan Member at Large
Allen Rawluk, Manitoba

These newly elected council members will be joining current members that are continuing their two year terms on the YCC. This transition ensures that new council members benefit from the experience of current council members.

Current YCC members are:

Erika Strande, Past President, British Columbia
Jake Meyer, President – Alberta
Brodie Haugan, Vice President – Alberta Member at Large
Warren Schneckenburger, Ontario
Daniel Muir, Atlantic

The YCC would like to thank Strande for her leadership over the past year as president

and is pleased at her continued involvement in the Governance Committee as well as remaining the B.C. delegate.

The council would also like to acknowledge the outgoing members for their contributions over the past year:

Tyson Lowe, Alberta Member at Large
Eric Buyer, Saskatchewan Member at Large
Jeff Yorga, Saskatchewan Member at Large
Ben Fox, Manitoba

Prior to the AGM, the YCC had the opportunity to visit the Alberta Livestock and Meat Agency (ALMA) headquarters in Edmonton and tour the Cargill Value Added Meats facility in Spruce Grove.

The YCC has been busy since its inaugural meeting in August 2013, with the Governance Committee working on constructing its foundation terms of reference and terms of office, as well as building its member base through heightened visibility.

Council members sit on CCA committees in an ex-officio capacity, providing a youthful perspective on agenda topics. The council also works with CCA directors and staff on upcoming projects and initiatives.

YCC is excited for the coming year and the opportunities it holds. Goals for 2015 include

increasing membership and engagement as well as establishing an annual event.

The council encourages all young cattle producers ages 18 to 35 from across Canada to become members of the YCC by filling out the membership application form on the YCC website www.youngcattlemencouncil.com.

Youth are also encouraged to participate in the Twitter (@YCCbeef) and Facebook media pages.

Funding for the YCC is made available through its Platinum Sponsor New Holland and the following CCA provincial member associations:

- British Columbia Cattlemen's Association
- Alberta Beef Producers
- Saskatchewan Cattlemen's Association
- Manitoba Beef Producers
- Beef Farmers of Ontario
- Nova Scotia Cattle Producers
- Prince Edward Island Cattle Producers.

B.C. Cattlemen's Association



BCCA's New Governance Model

The British Columbia Cattlemen's Association (BCCA) is into its first year under the new governance model. This year, nominations are being held for each of the odd number zones (Peace River, Skeena, Thompson and Kootenay) to be held from November through to January 31 followed by mail-in ballot voting with the election results announced April 15. BCCA is looking forward to moving the association onward under the new governance structure.

Premises ID Registration

In B.C., there has been significant discussion around how to increase the number of B.C. cattle producers with a valid premises ID. The Ministry of Agriculture estimates that the current registration reflects about 30 per cent of cattle producers in B.C. Late this fall, BCCA began assisting the Ministry of Agriculture with premises ID and has arranged for a representative in each zone of the province to assist producers. Premises ID is an important pillar of a national traceability system, and BCCA is encouraging all beef producers (whether members of BCCA or not) to have their primary premises registered. The Provincial Ministry of Agriculture maintains the database, and uses the information for planning and management of natural disasters, animal disease outbreaks and food safety emergencies. BCCA is hopeful that the



number of producers that register for this voluntary program will increase and that mandatory registration is avoided.

Overview of Bonding Regulations in B.C.

Given the current healthy cattle market, BCCA is working with the Ministry of Agriculture, B.C. Livestock Co-op and others to undergo an evaluation of the bonding rates in B.C. The categories and bonding rates governing bonding do not reflect the cattle market, and B.C. needs a framework for regular review of the system. Currently, BCCA is:

- Reviewing and providing recommendations to the Ministry of Agriculture for updating the bonding rates that may trigger a regulatory update process;
- Identifying the feasibility of an assurance program for B.C. to mitigate against fraud, and
- Evaluating the enforcement program currently in place.

Critical Accident Rollover Protocols and Mass Carcass Disposal

Over the past six months, there have been two significant cattle liner rollovers accidents

in B.C. These incidents have showed that producers and industry organizations need better information in dealing with these situations on-scene. BCCA is working with Ownership Identification Inc. to develop a livestock-related accident scene protocol/process document to help producers, RCMP, brand inspectors, vets and others on-scene. These two situations have also shown that the current mass carcass disposal sites available around the province are not satisfactory to handle a large number of animals. For example, some regional districts have a 'mass' carcass disposal site, but in the case of the latest accident, the site was only able to handle up to five animals. BCCA will work with the Ministry of Agriculture and the Regional Districts to identify one to three sites around the province able to handle such an incident.

Dog vs. Rancher

Last year, a BCCA member was charged after shooting a dog that had been harassing her cattle. The appeals process overturned the original ruling. However, this case brought to light the increasing conflict between dogs and livestock. BCCA requested that the Ministry of Agriculture open the *Livestock Act* for review to clarify the harassment clause, and how ranchers are entitled to act in order to protect their animals. This review will take place in spring of 2015.

ORV Registration

Voluntary registration of Off-Road Vehicles (ORV) began in B.C. November 17 as part of a phased approach to bringing the ORV regulations into force. Mandatory registration will begin June 1, 2015. Registration applies to all ORVs used on Crown Lands and is

aimed at improving enforcement and reducing theft.

Technology Transfer Pilot Project

With funding from Growing Forward 2, a federal-provincial-territorial initiative, through the AGRI-Innovation Program, BCCA is embarking on a Beef Industry Technology Transfer Program. This is a two-year pilot project that will identify key completed research that producers and other industry stakeholders are interested in learning more about through traditional extension events and new technology based opportunities for learning (i.e. webinars). The project is divided into three phases. In July, Phase 1: Industry Stakeholder Engagement got underway with the first meeting of the advisory committee. Eighteen industry stakeholders representing a wide range of industry associations tackled identifying topics for technology transfer and brainstorming innovative ways of sharing the topics using technology. In September, cattle producers were invited to participate in a survey to identify potential topics and barriers to technology use. The deadline for the survey was October 15. In the next phase, an event plan and delivery mechanism framework will be developed.

Bostock Memorial Grant

The Research Committee awarded the \$2,000 Brigadier W.N. Bostock Memorial Research Grants to Isaac Asante Aboagye and Ivan Hartling. Both are students at Thompson Rivers University. Aboagye is researching whether or not enzyme additives added to hay at the time of harvesting increases the digestibility and can improve the nutrient value of preserved forage for beef cattle. Hartling is researching if beef is a significant

source of Vitamin K and he anticipated completing his research by September 2014. Both researchers will provide the BCCA with the final results of their research.

Range Act Amendments

For over three years, BCCA has been advocating for changes to the *Range Act* based on the recommendations from the Ranching Task Force. The work paid off this spring with Bill 5: *Forests, Lands & Natural Resource Operations Statutes Amendment Act*. Bill 5, which came into force in December, reduces red tape on tenures, brings cattle ranchers in line with other tenure holders and increases tenure security. Highlights include increasing terms for grazing and hay cutting licenses and permits, rolling grazing permits issued before 2004 into grazing licenses and enabling hay produced on hay cutting licenses or permits to be sold.

Water Sustainability Act and Regulations

BCCA representatives have been participating in the B.C. Ministry of Environment's consultation sessions on establishing water pricing regulations. The BCCA has established a special water sub-committee which conducted both online and telephone surveys with members to: determine types of water sources currently used, number of licences held for these water sources, and an assessment of current fees. Analysis of the survey data is now complete and indicated that the members could be significantly affected, adversely, by the province's proposed pricing structure. BCCA representatives are actively advocating for the province to reconsider its proposal in light of this data and the impacts to the cattle industry. BCCA will continue to be part of the

regulation development process over the coming year in the hope of positively influencing the new *Water Sustainability Act* regulations for the industry.

Cattle Loss Survey

BCCA has compiled the 2013 cattle loss survey data. With 30 per cent fewer surveys received the results show fewer reported losses. Association staff have completed further analysis of the survey data from each zone for years 2010, 2011, 2012 and 2013. This more detailed breakdown shows the difference between surveys received, reported losses and the regional trend for cattle losses. The association intends to publish a 5 year trend upon completion of the 2014 survey data.

Revisions have been made to the 2014 Cattle Loss Survey with the intention of encouraging member participation. The survey is now anonymous, questions have been reduced and the online survey is much quicker and easier to complete (taking less than five minutes). We hope that this more

streamlined approach will increase the number of surveys returned. The BCCA's target is to have 300-350 surveys returned this year.

Agricultural Land Commission Review

In May 2014, the B.C. Government passed changes to the Agriculture Land Commission (ALC) in B.C. The Agriculture Land Reserve has been in place since 1974 and changes to the ALC are highly controversial within the agriculture industry and with the general public. Since May, BCCA has been actively engaged in the provincial review of the ALC. A written submission in response to the changes outlined in Bill 24: Agriculture Land Commission Amendment Act was provided to the Province and BCCA representatives attended almost every regional consultation session this summer. BCCA's main messages were:

- Any changes made should be done to benefit agriculture; not other industries
- Agriculture should be given priority over other industrial activities on ALR lands;
- Strong effort must be made to avoid the

impact of unintended consequences on the farmers and ranchers operating within the ALR;

- No additional on-farm uses are necessary at this time;
- Additional focus on enforcement is needed to control the activities on ALR lands.

Agricultural Waste Regulations

BCCA has been actively engaged in the stakeholder consultation sessions on the Agriculture Waste Regulations. The B.C. Government released a revised intentions paper earlier this year. BCCA was pleased that many of its recommended changes had been included. An industry consultation meeting was planned for November 2014 but has been rescheduled into January. BCCA will continue to participate in the meetings along with the B.C. Agriculture Council.

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. BCCA is heading into the final construction year. The hope is to have the program extended beyond 2015/16.

BCCA greatly appreciates the efforts and hard work of all CCA Directors and staff. I would like to recognize and thank our dedicated CCA Directors, Martin Rossmann and David Haywood-Farmer.

For more information, please visit the BCCA website at www.cattlemen.bc.ca/



Photo credit: Howard Bekkering

Alberta Beef Producers



The fall is a busy and productive time for all agricultural producers and the people at Alberta Beef Producers (ABP) are no exception. The time after harvest is when ABP holds its fall meetings across the province and this year, nearly 1,000 producers attended the 23 meetings in nine zones. ABP is proud to be a grass roots organization and the fall meetings are one of the most important ways the association communicates with the producers who are the owners and the customers of the organization. These meetings are an excellent opportunity to listen to the concerns and priorities of producers while also telling them about the work that ABP and its partner organizations are doing on their behalf.

ABP's fall meetings culminate in the annual general meeting (AGM) in Calgary at the beginning of December. The AGM is where ABP's zone and Cattle Feeder Council delegates come together to select leadership and set the direction for the coming year. The mood at this AGM was very positive and it was one of ABP's best general meetings in years. The delegates elected a strong group of producers to the ABP Board of Directors with four new directors joining the 12 returning directors. The executive elected by the new board of directors has Greg Bowie returning as chair, Bob Lowe returning as vice-chair, and Roland Cailliau, from Valleyview, becoming the new finance chair.



Once again, the ABP commitment to its democratic and representative processes created sound leadership for the organization and the industry. The four new directors and one new member of the executive will provide fresh ideas and perspectives for the board, while the returning directors and executive members will provide experience and stability. The delegates also elected a solid contingent of ABP representatives to the Canadian Cattlemen's Association (CCA) Board of Directors. ABP strongly supports the national policy and trade advocacy work done by the CCA and the elections of its CCA representatives are nearly always closely contested.

The theme of the 2014 ABP Annual Report was 'A Year of Change' and this year featured substantive changes for prices, producers, supply chain businesses and industry

organizations. In a business requiring the long-term view and commitment of the cattle and beef industry, there is a real risk in placing too much importance on the events of a single year. History has shown that what may look like a dramatic alteration of the industry can turn out to be just a temporary shift in markets, production, or finances. Nevertheless, there are clear signs that 2014 will be viewed as a year of significant change for the industry, even if it may not be the pivotal year it was being called by some industry watchers.

Despite record high prices and large profits in both the cow-calf and feeding sectors, low cattle inventories are a growing concern for many in the industry. In order to add more cows, new and existing producers need affordable land, access to water, and available labour, all resources that are quite scarce in Alberta. Cow-calf operations are

the foundation of the cattle industry and more cows will be needed to retain the cattle feeding and processing capacity in the province. Cattle feeders and beef processors already are struggling with severe labour shortages caused by the strong Alberta economy and barriers to finding foreign workers. With volatile markets, tight margins, and high risks, these operations must have a sufficient supply of cattle to remain viable. One of the major industry issues of the year, sustainability, is a very good fit with the ABP mission to enhance the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta. However, if ABP is going to fulfill this mission, it is clearly important that it also remains sustainable and effective as an organization. This year, ABP engaged in its Plan Review, the regular five-year review and renewal of the four regulations and the by-laws that govern the mandate, funding, structure and operations of the organization. ABP saw the plan review as an opportunity to renew and refresh the organization so that it can be a stronger and more effective voice for the cattle and beef producers in this province.

One of the major industry issues of the year, sustainability, is a very good fit with the ABP mission to enhance the sustainability and competitiveness of the beef industry for the benefit of beef producers in Alberta.

The plan review process was detailed and lengthy, requiring a significant investment of time and resources. The process began last spring with the development of the Plan Review Discussion Paper and continued through the summer with 13 facilitated town hall meetings held across the province. With the input received from these meetings and responses to the discussion paper, a board working group and then the board created a proposal that was presented to producers at the fall meetings.

The attendance at the fall meetings was fair and the discussion of the Plan Review Proposal was generally quite good. There were many good and valid questions,

comments, and recommendations from producers at these meetings. At the AGM, the delegates participated in active and thoughtful debates on plan review resolutions from the fall meetings and the board of directors. The resolutions that were carried at the AGM will provide clear direction to ABP as it begins the process of working with the marketing council on changes to the organization's regulations and by-laws. Regardless of the changes proposed for the regulations, the clear message from producers was that ABP needs to be more focused on three priorities: influencing government policy and legislation, communications with producers and the public, and protecting property and water rights.

In this year of change, ABP was an active participant in the development of the National Beef Strategic Plan, an enthusiastic member of the Canadian Roundtable for Sustainable Beef, and a strong supporter of Canada Beef and the Beef Cattle Research Council. ABP will continue its work in these vital areas next year. The organization will also be completing the ABP Plan Review, focusing on the priorities provided by the grass roots producers, and starting to address the industry funding issues that were raised at virtually all producer and organization meetings through the year. As a result of other changes that occurred this year, ABP will be working with a new premier and an altered political landscape in Alberta.

Change always brings challenges, but also opportunities. Darwin said that it is not the



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1. Menge, M., Ross, M., Bolland, C., Zacharias, E., Kip, S., Metz, W., Allen, M., Dörke, R., Nümmiger, M. Pharmacokinetics of tiludron in bovine plasma, lung tissue, and bronchial fluid from live, non-anesthetized cattle. J. Vet. Pharmacol. Therap. doi:10.1111/j.1365-2688.2011.01548.x. 2. As per the approved Canadian product label concentrations and recommended dosages. ZUPREVO® and RESPLOR® are registered trademarks of Intervet International B.V., used under license by Intervet Canada Corp., a subsidiary of Merck & Co., Inc., Whitehouse Station, NJ, USA, operating in Canada as Merck Animal Health. MERCK® is a registered trademark of Merck Canada Inc. in Canada. Copyright © 2014 Intervet International B.V., a subsidiary of Merck & Co., Inc., Whitehouse Station, NJ, USA. All rights reserved.

MERCK
Animal Health

strong of the species that survive nor the most intelligent, but those that are most adaptive to change. ABP enjoys strong leadership from our delegates and directors, good support from many cattle producers in the province, and a group of enthusiastic and dedicated staff members. ABP will be

adaptive to change and will continue work effectively for the cattle and beef producers in Alberta.

For more information, please visit the ABP website at www.albertabeef.org

Saskatchewan Cattlemen's Association



For the Saskatchewan cattle industry, 2014 started out in January with the Saskatchewan Cattlemen's Association (SCA) Annual General Meeting (AGM) and the Saskatchewan Beef Industry Conference in Saskatoon. At the AGM, Reg Schellenberg, Pat Hayes and Brent Griffin were elected for two-year terms as Saskatchewan representatives to the Canadian Cattlemen's Association (CCA). Mark Elford stepped down as SCA Chair and Paula Larson was voted in as the new SCA Chair. The 2015 SCA AGM and Saskatchewan Beef Industry Conference are scheduled to be held in Regina.

Directors and staff attended annual meetings for the B.C., Alberta, Manitoba and Ontario provincial beef associations. They also attended the CCA AGM in Ottawa in March. Saskatchewan CCA reps Schellenberg and Hayes are co-chairs of the Animal Health and Animal Care Committee and Grant is chair of the Environment Committee for this year. All three are also on the CCA Executive. Tim Oleksyn is chair of the Beef Cattle Research Council (BCRC).

In March, during Canadian Ag Literacy Week, SCA worked with 'Agriculture In The Classroom'. Cattle producers visited elementary schools in rural and urban areas, read to Grade 4 classes and talked about their cattle operations.

March also brought the announcement of a Western Livestock Price Insurance

Program (WLPIP), sponsored by the Federal and Provincial Governments. WLPIP is now available in all four western provinces, to help producers manage price risk for calves, feeders and fed cattle.

Following a delay of one year in the transition of Prairie Farm Rehabilitation Administration (PFRA) pastures from the federal to provincial government and ultimately to patron control, the first ten PFRA pastures transitioned to patrons in the spring of 2014. Agreements are in place for all ten pastures. Cattle were turned out this season with little fanfare and little apparent disruption in the process.

In early 2014, the provincial brand inspection service was transferred to the industry-based organization Livestock Services of Saskatchewan (LSS). They will perform the same services that brand inspection did, but through a non-government association with representation from five provincial industry groups.



In April, the SCA held its third annual beef-on-a-bun meeting with Saskatchewan Members of the Legislative Assembly (MLAs). It 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.

Staff and directors attended the CCA semi-annual meetings in PEI in August. Missions to Ottawa in 2014 included the CCA Fall Picnic in September.

With SCA's year-end at the end of July, levy refunds were processed and delivered to producers by the end of October. Less than five per cent of the producers asked for a refund again this year, with only 177 producer requests, a drop of seven from the previous year's 184 requests.

Lobby efforts by SCA have resulted in recent changes to the Saskatchewan Wildlife Act, allowing farmers to protect their livestock and property from wolves and ravens. There are still major issues with wolf predation across the northern forest fringe of the province and SCA is working with the Ministries of Agriculture and Environment on the issue.

The SCA meets regularly with the provincial Agriculture Ministry to discuss issues of interest to the cattle industry. At an industry assessment meeting in November, topics discussed included: Saskatchewan vs Alberta government funding programs; cattle price insurance; cattle assurance

Lobby efforts by SCA have resulted in recent changes to the Saskatchewan Wildlife Act, allowing farmers to protect their livestock and property from wolves and ravens.

fund; forage insurance; Livestock Services of Saskatchewan; cattle theft; the Beef Cattle Research and Teaching Unit; research, carbon offset protocols; labour issues; the Horned Cattle Trust Fund; species at risk; and various other issues.

Research has been identified as a high priority for the SCA. The SCA is encouraged by the recent announcement that the relocation and construction of the new Beef Cattle Research and Teaching Unit at the University of Saskatchewan is moving forward and that fundraising efforts are underway. The SCA is now encouraging the Provincial and Federal Agriculture Ministries to finalize their commitment to the project.

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 supported the collaboration of forage industry stakeholders to develop a forage network which addresses forage research challenges in Saskatchewan.

In 2013, the federal and provincial ministers of agriculture announced joint support for the establishment of a new forage research chair at the University of Saskatchewan in Saskatoon. That position has now been filled



by Dr. Bill Biligetu, a forage breeder with significant experience in the Saskatchewan forage industry.

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.

The SCA trade show display was used at a range of agricultural events in 2014, including the Sask Beef Industry Conference and, to connect with urban consumers, at Gardenscape in Saskatoon, plus home shows in Saskatoon and Regina. SCA also attended the Saskatchewan Stock Growers Association (SSGA) annual meeting in Moose Jaw.

SCA put on a media training event with six directors taking part.

Also in June, SCA put on a media training event with six directors taking part. Directors learned some basics about the Saskatchewan agriculture media industry, plus had a couple of simulated television interview sessions, to sharpen their media interview skills. Canada Beef and the Canadian Football League entered into a three-year partnership starting in 2014. Part of the arrangement includes hosting a Saskatchewan cattle producer family on the sidelines of a Saskatchewan Roughrider football game. The Andrew Johnson family from Peebles was selected and was able to attend the game, have a sideline experience and watch the Riders play the Calgary Stampeders on October 3. SCA also set up its booth for pre-game festivities.

At Agribition, the SCA hosted a beef industry reception, providing beef on a bun for more than 250 people.

District meetings ran from October 22-24 and November 7. Levi Hull in District 5 and Paula Larson in District 7 were uncontested in their districts. In 9a, where Ryan Sommerfeld was stepping down, Arnold Balicki from Shellbrook was acclaimed. An election in District 2 saw Ken Demyen replaced by Philip Lynn from Morse, while the election in District 3b saw Larry Grant retain his position.

At Agribition, the SCA hosted a beef industry reception, 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 SCA had a producer booth in the barns, plus a consumer booth in the marketplace area of the Agribition trade show. SCA also partnered with Ag In The Classroom as part of the AgMazing Challenge, with grade 7 and 8 students visiting the booth and asking questions about the cattle industry.

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 PFRA Pasture Working Group and the Assurance Fund Working Group.

For more information, please visit the SCA website at: www.saskbeef.com

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Manitoba Beef Producers



Helping producers manage unanticipated challenges and working to secure the expansion of Manitoba's beef industry were two of the main priorities for Manitoba Beef Producers (MBP) in 2014.

Weather-Related Challenges

Weather was again a dominant force in Manitoba's beef industry in 2014.

Repeated heavy rains in late June and July led to extensive flooding. Particularly hard hit was the Assiniboine Basin (especially in southwestern Manitoba) and areas around Lake Manitoba that were only beginning to see meaningful recovery in the wake of the 2011 flood.

Recognizing that feed shortages were going to be an issue heading into the winter of 2014-15, MBP swiftly began lobbying the provincial and federal governments to consider providing a needs-based forage



Photo credit: Reg Schellenberg

shortfall program and an accompanying transportation program. MBP provided information to governments about the impact of the disaster as they evaluated whether assistance would be offered. Of particular concern to MBP was the prospect some hard hit producers might simply exit the industry.

In mid-November the Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative under AgriRecovery was announced. It includes a transportation assistance program for the entire province as well as a forage shortfall program directed at producers in the Lake Manitoba, Lake Winnipegosis and Lake St. Martin areas. MBP thanks the Canadian Cattlemen's Association (CCA) for their lobbying efforts on this file.

MBP welcomed the assistance this important initiative provides. However, the association share the concerns of hard hit producers not included in the forage shortfall program. MBP is seeking an expansion of the forage shortfall program to help address the losses these producers suffered.

MBP is also seeking the triggering of the Livestock Tax Deferral Provision which could be beneficial to producers forced to downsize their breeding herd due to feed concerns.

Managing Water

Finding ways to more effectively manage water remains a priority for MBP. Repeated floods and excess moisture conditions have driven many producers out of Manitoba's cattle industry, and these types of events threaten future growth.

The Manitoba government is studying water management options. Some proposals being examined include increased wetland protection, updated drainage licensing policies, infrastructure improvements, flood proofing initiatives and buyouts of flood prone agricultural lands. MBP provides input into these consultative processes whenever possible. And, MBP continues to press for the swift construction of a second outlet out of Lake Manitoba to help reduce ongoing threat of flooding faced by producers in that area.

MBP is involved with the new Assiniboine River Basin Initiative (ARBI), sitting on its Planning Committee. ARBI is working to bring together an array of stakeholders from Manitoba, Saskatchewan and North Dakota affected by how water is managed in the Assiniboine, Qu'Appelle and Souris river basins. At a November conference in Regina the delegates agreed to proceed with the formalization of ARBI. Next steps include designing and implementing the governance and funding mechanisms.

Business Risk Management Programs

In the past year, Manitoba's beef producers have gained access to new and improved risk management tools, including an expanded suite of forage insurance programming and access to the Western Livestock Price Insurance Program (WLPPI). MBP spent several years lobbying for both initiatives.

The 2014 flooding and excess moisture conditions led to some challenges with the new forage programs being identified. These relate to coverage levels and costs for producers in areas affected by repeated events, such as for coarse hay,

and producers who now fall outside the program parameters. MBP is consulting with officials from Manitoba Agricultural Services Corporation (MASC) about how to address these concerns.

MBP invited staff from MASC to discuss WLPPI at our fall district meetings. More than 400 policies have been taken out by Manitoba producers since it became available to them. Uptake is expected to increase as awareness levels grow.

Animal Health

The Manitoba government introduced changes to the *Animal Diseases Amendment Act* (Bill 71) which would give provincial officials more powers when it comes to managing animal diseases. Proposed changes include giving the Minister the power to make regulations designating reportable diseases, which MBP supports.

Another provision will allow the Manitoba government to conduct animal health surveillance programs to gain an overall understanding of the health status of local animal populations. Taking into account the Manitoba beef industry's experience with mandatory federal surveillance for bovine tuberculosis MBP has questions about how provincial surveillance programs would work.

Cattle producers in the Riding Mountain Eradication Area (RMEA) have been part of a multi-decade, multi-stakeholder effort to stem the spread of this disease between wildlife and livestock, with the ultimate aim of eradicating it. Producers have borne considerable costs associated with the surveillance program.

Under Bill 71, it is unclear if producer participation in provincial animal health surveillance programs is mandatory or voluntary. Second, MBP has asked if producers will be required to bear all costs associated with making their animals available for surveillance or whether they will be borne by the provincial government. MBP wants clarification about who assumes the costs for animal injuries sustained during a surveillance program. It is MBP's position that compensation should be based on fair market value, and that any questions around liability need to be resolved before surveillance is implemented.

There were extensive developments on Manitoba's bovine tuberculosis file in 2014.

On March 31, the Manitoba government announced a five-year, \$150,000 initiative with MBP to support an industry-led solution for the management and control of bovine tuberculosis in the RMEA.

Through this provincial initiative, producers in the RMEA will receive support to present animals for testing and to help ensure a strong traceability component through premises identification and a linkage to the Canadian Cattle Identification Agency traceability system. This project will link to the work being done on the federal project so that if bovine TB is found at a slaughterhouse or abattoir as part of routine monitoring, it can then be traced back to an individual farm.

On April 23 the federal government announced an investment of \$297,000 through Growing Forward 2 to MBP's

research project to improve the tools available for monitoring bovine TB in the RMEA. This project includes the on-farm risk assessments (OFRA) where data from the assessments will help enhance the scientific tools being used to detect and eliminate the spread of bovine TB, that is, a scenario tree model which will examine the risk of bovine TB occurring. On-farm risk assessments will begin in January 2015.

In October 2014 the provincial government committed to provide \$38,000 over three years, through Growing Forward 2 (GF2) Growing Innovation, to characterize risk, map the distribution of elk and deer and finalize the OFRA process. This project will develop and test models of elk and white-tailed deer habitat selection and evaluate the potential overlap of resources by wildlife and domestic livestock. The resulting product will be quarter section scaled maps displaying the potential overlaps between livestock and wildlife. This will help allow management of lands to reduce potential interactions thus minimizing the risk of disease spread.

The goal is to use information gleaned from these important initiatives to help move industry to a position where cattle producers within the RMEA face the same type of surveillance for bovine TB as producers elsewhere in Canada, as well as to develop management strategies to minimize livestock and wildlife interactions.

MBP has sought the continuation of the bovine TB coordinator's position and has submitted an amendment to the federal GF2 project proposal to include the costs associated with the TB coordinator's position

until 2018. It has played a key role in keeping all stakeholders – government and industry alike – working together on this critical file.

Research

MBP recognizes the value of research. Areas of focus have included residual feed intake, needle free injection systems, bovine TB, transportation, and, the development of a strategy for forage and grassland management in Manitoba. MBP also asked producers at the fall district meetings to identify their research priorities moving forward.

MBP continues to work with a number of stakeholders on the possible development of a beef and forage demonstration farm. Key activities would include: knowledge transfer to producers to help build industry capacity; demonstration and evaluation of foundational research; and, knowledge transfer to the general public, policy makers and the media to help raise understanding and awareness of beef and forage production in Manitoba.

Other Matters

At MBP's 35th Annual General Meeting in February, the membership voted overwhelmingly to increase MBP's check-off to \$3 from \$2/head. The increase took effect July 1, 2014. The monies will help support MBP's ongoing advocacy, communication and research efforts.

MBP is delivering the Verified Beef Production™ (VBP) Program, including both VBP and biosecurity workshops. MBP helped secure the addition of new BMPs to Manitoba's GF2 program eligibility catalogue

MBP lobbies on many issues, including labour shortages, the value of trade deals, livestock predation challenges, and workplace safety & health policies, among others.

including compost site for management of dead stock, herd medical treatment software, as well as carrying case and/or docking station for RFID equipment. MBP supports the addition of new program modules.

Year one of the transition process around the administration of Manitoba's community pasture system is complete. The Association of Manitoba Community Pastures is overseeing management of the pastures that are being divested by the federal government.

MBP lobbies on many other issues, including labour shortages, the value of trade deals, livestock predation challenges, and workplace safety and health policies, among others. MBP is seeking policies and programs that will encourage expansion in Manitoba's beef industry to capitalize on the many opportunities that lay ahead.

In 2015 MBP will be working with a consultant to survey its members to determine their priority areas, both for the association and for Manitoba's beef industry in the years ahead. This will be used as part of MBP's strategic planning processes.

For more information, please visit the MBP website at www.mbbeef.ca

Beef Farmers of Ontario



For producers across the country, 2014 will go down in history as a record breaking year for cattle prices resulting in positive margins for all sectors of the industry. After a decade of uncertainty, producers were finally able to breathe a sigh of relief. Certainly the high prices and low supply also bring some long-term challenges for the industry, its processing partners and for consumer demand. The Beef Farmers of Ontario (BFO) has been involved in a number of initiatives to address the decline in the cow herd in order to strengthen the industry, as well as involvement in developing and improving programs that support farmers and their families.



Check-off Increase

In February, delegates at the 2014 BFO Annual General Meeting voted in favour of a \$1 increase in mandatory provincial check-off, raising the fee to \$4 per head from \$3 per head. The Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) approved the requested increase in August which took effect on November 1, 2014.

The increase was communicated in September and October through various channels to ensure that BFO's membership recognized the value of check-off dollars, and its importance to BFO's efforts to market Ontario beef, to develop the industry and to maintaining BFO's core services.

Cow Herd Expansion Project

Working towards a solution to the decline in beef production in Ontario, BFO together with the provincial government have been

investigating the viability of developing a new beef production system beginning with expanding the cow herd in Northern Ontario. The objective of this system is to attract new investment, bring profitability to the industry, and be sustainable for future generations. Low supply continues to impact jobs and income for the province, industry infrastructure, processing plants, and auction markets.

The findings and accompanying economic model that was developed through the first phase of the project demonstrates that northern expansion is both economically feasible and required to support Ontario's current beef industry and processing sectors. BFO representatives continue to promote the concept with government and have met with eight cabinet ministers to date, each of whom has expressed strong support for the project. BFO will begin the next phase of this long-term initiative in 2015 with a focus on implementation strategies.

Investigating New Marketing Options

BFO has investigated potential marketing options with beef and Holstein genetics as a way to increase cattle numbers in the province and to provide another marketing opportunity for farmers. BFO has sent directors on two separate occasions to gather information on a successful version in the United Kingdom. BFO has spent time investigating the cost and profitability prospects in the Ontario context, and is looking at ways to communicate the findings with its members.

Government Relations

Provincially, BFO representatives met with MPPs and OMAFRA staff throughout the year to gain traction and support with government for the cow herd expansion project, to improve the responsiveness of the feeder and breeder programs, and to ensure that the Risk Management Program remains as an effective business tool for Ontario farmers.

On a federal note, BFO directors and staff travelled to Ottawa in April and November to meet with MPs and political staff of all parties to discuss the major issues facing the beef industry. BFO was joined by Canadian Cattlemen's Association (CCA) Ottawa staff Ryder Lee and John Masswohl. A range of topics were discussed including cow herd expansion, traceability, the need for federal/provincial/industry partnerships in the development of an effective safety-net program, the resolution of technical issues for the major Free Trade Agreements, and the need for harmonization of SRM removal requirements.

BFO has investigated potential marketing options with beef and Holstein genetics as a way to increase cattle numbers in the province and to provide another marketing opportunity for farmers.



Ontario's Risk Management Insurance Program (RMP)

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

Throughout 2014, representatives from BFO, fellow commodity organizations, and senior OMAFRA staff reviewed the RMP and other program models in depth to determine the most effective option to utilize the \$100 million funding envelope provided by the provincial government. Through this review, it was determined that the RMP is the most effective program design for Ontario farmers. It also became clear that the mandatory requirement that all RMP participants also enroll in the federal AgriStability program was doing more harm than good, given cuts to the AgriStability program and other challenges with the way AgriStability is currently operating. With the support of the provincial government, this requirement will be removed from the 2015 program.

Traceability

In March, a group of representatives from Ontario's beef industry travelled to Australia to investigate their traceability governance, practices and systems in advance of Canadian implementation of mandatory traceability requirements. Australia's National Livestock Information System (NLIS) is widely regarded as the most effective livestock traceability system in the world and the Ontario delegation was sent there to find out why.

The group participated in more than 20 meetings over the course of seven business days which included meetings with farmers across beef sectors of varying operation sizes, as well as industry and government organizations, processing and retail groups. What they found was a wide array of opinions and competing ideas about the value the Australian traceability system provides. Although their system did not appear immune to challenges, nearly every person the group spoke to had come to accept and trust the system that was in place. The Australian industry places value in their traceability system for the food safety and production assurances it provides for new and existing export markets, and in limiting the impact in the event of an animal disease outbreak.

BFO worked with Value Chain Management International Inc. to create an industry roadmap and case study based on the insights gained while investigating the Australian traceability system. In October, BFO representatives also presented their findings to the Industry-Government Advisory Committee in Calgary.

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

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

In an effort to disseminate information contained within the renewed Code of Practice for the Care and Handling of Beef Cattle, over 20 workshops have been held throughout Ontario for beef farmers to gain a better understanding of the recommended practices outlined in the new Code. The interactive workshops provided an overview of the Code followed by a chute-side demonstration by a local veterinarian on castration and dehorning requirements. Producer uptake has been positive and additional workshops have been scheduled for the spring of 2015.

BUILD Leadership Program

BFO's BUILD Leadership Development program continues to charge ahead with the strategy to strengthen the leadership capacity within the province by providing a training program for potential industry leaders. Since the pilot program was announced in 2011, and launched in January of 2012, 44 participants have been trained through the program with the help of the Rural Ontario Institute. The class of 2014 began its leadership journey in January and graduated in April.

Marketing Beef from the Farm to City

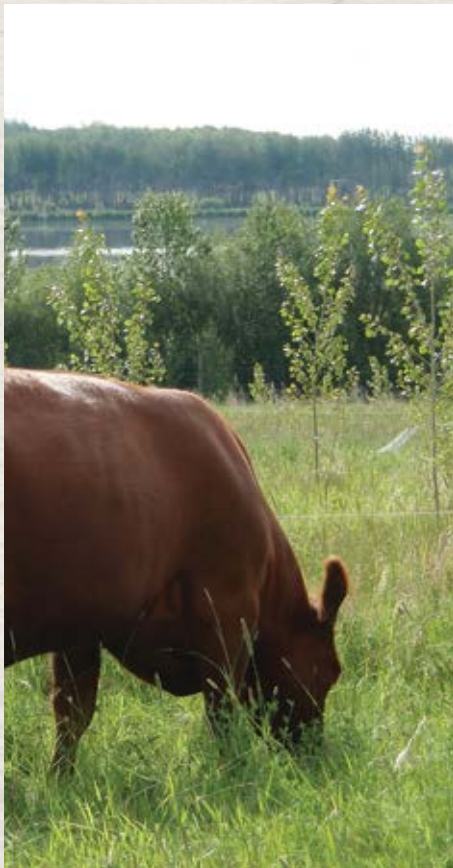
The Farm to City marketing project intends to provide urban customers with another option for conveniently purchasing locally raised beef. This pilot project will create a direct marketing opportunity in Ontario cities that is similar to a virtual farmers' market where customers can order and purchase 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, BFO conducted market research and has established an online ordering system with payment abilities and inventory tracking with the help of BIO, a producer cooperative focused on bridging intelligence in the livestock industries. The program launch will take place in early 2015 with VG Meats as the first participant through the pilot.

2014 Provincial Association Reports

Beef Farmers of Ontario continued from previous page



Ontario Corn Fed Beef

BFO continues to support the Ontario Corn Fed Beef Program, a program that was established to provide a high-quality, premium-branded beef for the Ontario marketplace. BFO is pleased that the brand 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 product.

BFO is pleased that the Ontario Corn fed Beef brand continues to expand within Loblaw Companies Ltd.

Research

BFO helped fund seven beef research projects in 2014 in collaboration with a number of organizations including: the National Science and Engineering Research Council (NSERC); the Canadian Agricultural Adaptation Program (CAAP); the Beef Cattle Research Council (BCRC); and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) partnership program with the University of Guelph. The following projects were funded in 2014:

- Stimulating innate immune responses to prevent pneumonia in beef cattle;
- Rotational grazing impact on increasing pasture yields on Ontario Community Pastures;
- The impact of genomic selection for feed efficiency on the cow-calf sector, performance parameters and underlying biology;
- Pasture mixtures of grasses and legumes for the long-term sustainability of beef production;
- Effects of RFI classification and strategic supplementation of low quality diets to optimize beef cow performance;
- Evaluating the impact of water quality for finishing beef cattle; and
- Ontario beef farmers participation in BRM programs.

On a positive note, the University of Guelph has progressed to the candidate selection stage for the Beef Geneticist position and has recently initiated the process to hire a new Beef Nutritionist. It is anticipated that both positions will be in place by the end of 2015. In addition, 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.



For more information, please visit the BFO website at www.ontariobeef.com

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New Brunswick Cattle Producers



Key accomplishments for the New Brunswick Cattle Producers (NBCP) in 2014 included:

Strategic Planning

In March, the NBCP Board gathered in Fredericton, N.B. for a multi-day strategic planning session to chart its course for the next five years. It became clear during the session that NBCP has the right board team, with the right attitude, to get the job done in New Brunswick. The board came away from the session feeling positive about its direction and in driving the industry forward.

Levy Collection and Audit

The NBCP continues to make solid progress on levy collection in New Brunswick and holding members to account. In 2014, the board initiated a dealer audit to review levy compliance. The audit has been completed and the board is now using the final report to fully understand the opportunities and challenges of levy collection, and develop an action plan for 2015. Progress continues to be made to collect levies due to the province from partner/bordering provinces. The board also continued its involvement to better harmonize levy collection processes in the Maritime region.

Revitalizing Communications with Stakeholders

The NBCP continues to encourage improved, consistent communication with its producers, dealers, government and industry stakeholders. In 2014, a particular focus was

made to reach out to partners in the dairy sector and improve transparency about how levies are collected and used to benefit all members of the cattle industry.

Professional Development

The NBCP is committed to programs and events that will make the industry stronger, or head off significant challenges for members in the future. The association is actively working to help producers improve forage management, traceability, genetics, profitability, animal health and handling, and to make the best use of the competitive strengths of Maritime cattle producers.

For more information, please visit the NBCP website at: www.bovinsnbcattle.ca



Nova Scotia Cattle Producers



For the first time in a number of years, there seems to be widespread optimism in the cattle industry in Nova Scotia and across the country. Like other regions, Nova Scotia is in the midst of record high prices and is starting to see some relief of input costs such as feed and fuel. The Nova Scotia cow herd seems to have stabilized and producers are now looking to the future of the industry.

This was a busy year for farmers as well as the Nova Scotia Cattle Producers (NSCP). The organization is very pleased to have accomplished several goals laid out early in 2014 and continues to work on the remaining goals. The NSCP has successfully worked with government and researchers to implement new programming for producers; this has been possible due to continued improvements to levy compliance.

Over the past several years, NSCP has struggled with levy collection and compliance in the province. This year marks the turning of a page and compliance has increased significantly. The NSCP worked very closely with dealers as well as the dairy industry to improve compliance, which has increased by an estimated 45 per cent over 2013. There is still room to improve compliance and this again will be a focus area in 2015.

Early this year, NSCP's received good news that Dr. Yuri Montanholi was to join

Dalhousie University's Faculty of Agriculture. This marked the first time in almost two decades that beef-specific research would be conducted in this region of the country. Dr. Montanholi went straight to work at the Maritime Beef Test Station in Nappan, NS, to conduct feed efficiency research on heifers and is now conducting similar research on the bulls at the station. His bull research will also investigate feed efficiency as it relates to reproductive traits of the animals.

The NSCP also worked with the Provincial Department of Agriculture to design and launch two programs which will assist in moving the industry forward. The first program focuses on the purchase of genetically superior dams and sires to introduce into provincial herds. This program also encourages farmers to use genetic evaluation services to evaluate their herds. The second program helps farmers improve safety for them and their animals while performing routine tasks by providing assistance for safe handling equipment.

Looking forward for 2015, the NSCP will be working to continue to improve the financial sustainability of the organization by improving levy compliance. There will also be a continued focus on developing programs that will allow producers to maximize the benefit of the improved cattle markets.

The NSCP annual general meeting will be held on February 21, 2015 starting at 10:00 am at the Best Western Glengarry in Truro, NS.

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

Prince Edward Island Cattle Producers



The Prince Edward Island Cattle Producers (PEICP) held their Annual Meeting in April 14, 2014. Following this meeting the new Board came into effect. Board members include Brian Morrison, Jeremy Stead, David McCloskey, Sterling Jay, Kenneth MacEachern and Derrick Annema. Ex-Officio Director, Ranauld MacFarlane represents Dairy Farmers of PEI.

In April of 2014 the PEICP launched its fourth annual 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. Fifty four restaurants sold over 92,168 hamburgers during the month of April, double the number of burgers sold the previous year. The 2014 PEI Burger Love's most loved burger was the Gatsby, from Sim's Corner Steakhouse, another 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 or through technical support. She also provides age verification to producers and coordinates the Livestock

Development for Beef program. Funding for this program is provided through Growing Forward 2 and offers qualifying producers money for programs such as Premium Sires, Genetic Heifer Renewal, Seedstock Testing, RFID reader purchases, scales purchases, and Feed Efficiency.

Miller has also been hired as the value chain coordinator for the Prince Edward Island Certified Beef brand. Her role is to communicate between the producers and Atlantic Beef Products (ABP) to ensure the animals meet brand specifications and that supply is keeping up with the demand. To date, there are approximately 20 feedlots and 50 cow-calf producers on the brand. This premium brand has been active for over a year and is experiencing a steady increase in demand.

The PEICP is a member of the Maritime Beef Council (MBC). The Council represents

the three Maritime cattle organizations on various issues. Quarterly meetings were held throughout the year. The annual meeting took place on July 24, 2014. The MBC continues to work on various issues that affect producers from the region. The MBC has agreed to host the Maritime Beef Conference scheduled for March 27-28, 2015 in Moncton, NB.

The PEICP saw a significant change to the Deadstock Removal services offered to PEI producers this year. In the previous year, the PEICP contributed approximately \$70,000 toward the service with similar contributions from Dairy Farmers of PEI (DFPEI), but the lion's share of the cost came from the province. This year the province maximized its contribution to the service at \$350,000. The remainder of the \$850,000 cost had to come from industry. While DFPEI was able to deduct producers deadstock costs directly from milk payments, the PEICP had

no access to such funding. PEICP had to develop a fee billing structure that would be fair to all producers and then had to collect inventory and marketing data from each farm and invoice them accordingly. There was an uptake of just over 50 per cent of all producers paying to use the service. Those who did not pay are not eligible and must deal with their deadstock themselves.

The ABP facility has been consistently processing 400 hd/week. This includes fats as well as culls cows and lean Holstein. ABP has a growing demand for ground beef and so is encouraging more producers to raise Holstein steers to supply them with lean beef for the grind.

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

Ivan Johnson is no longer on the board of the PEICP, however; he continues to represent the PEICP at the Canadian Cattlemen's Association (CCA).

The PEICP was pleased to host the CCA Semi-Annual meeting in Charlottetown in August 2014. This was a great opportunity to showcase this beautiful island and the beef industry PEICP supports here.

For more information, please visit the PEICP website at: www.peicattleproducers.com



Schedule of Operations and Net Assets

Year ended June 30, 2014
with comparative figures for 2013

	2014	2013
Revenue:		
<i>Assessments</i>		
British Columbia	93,510	111,012
Alberta	1,491,842	1,416,364
Saskatchewan	575,157	708,620
Manitoba	267,870	261,944
Ontario	416,910	383,448
Quebec	-	-
Prince Edward Island	9,783	9,908
New Brunswick	10,070	10,200
Nova Scotia	12,084	12,240
Total Assessments	2,877,226	2,913,736
Legal Assessment	781,385	303,379
Interest	9,054	13,985
Other	309,087	183,609
	3,976,752	3,414,709
Expenses:		
CCA Division Services	327,994	319,944
Calgary Office	1,002,094	923,972
Ottawa Office	347,646	348,274
Legal Reserve	781,910	303,379
Communications	46,714	46,380
Conventions	6,665	13,113
Town Halls	19,909	527
Executive & Finance	163,004	214,652
Advocate Services	522,481	733,146
Annual Meeting	100,998	94,909
Semi Annual Meeting	52,406	57,461
Auction Market System	-	150
Animal Health & Meat Inspection	82,828	133,471
Animal Care Committee	19,875	27,562
Value Creation & Competitiveness	2,761	4,036
Foreign Trade Committee	83,623	58,257
Domestic Agriculture Policy	8,881	3,333
Young Cattlemen's Council	11,331	-
CYL Second Step	82,824	1,918
Five Country	32,809	48,749
Young Leaders Development Program	126,252	139,134
Environment	53,812	44,268
Sustainable Beef	5,335	-
	3,882,152	3,516,635
Excess (deficiency) of revenue over expenses	94,600	(101,926)
Net assets, beginning of year	443,718	545,644
Net assets, end of year	538,318	443,718

2014 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

FCC is Canada's leading agriculture lender, strong and stable, committed to serving the industry through all cycles, and to being socially and environmentally responsible. FCC provides financing, insurance, software, learning programs and other business services to producers, agribusinesses and agri-food operations.

Employees understand agriculture and are committed to the success of customers and the industry. With FCC in the market, producers benefit, agriculture benefits, rural Canada benefits and so do all Canadians.

For more information, visit www.fcc.ca. Follow Farm Credit Canada on Facebook, LinkedIn and on Twitter @FCCagriculture.



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Deere & Company (NYSE: DE) is a world leader in providing advanced products and services and is committed to the success of customers whose work is linked to the land - those who cultivate, harvest, transform, enrich and build upon the land to meet the world's dramatically increasing need for food, fuel, shelter and infrastructure.

Since 1837, John Deere has delivered innovative products of superior quality built on a tradition of integrity.

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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



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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



GrowSafe Systems

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

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RBC Royal Bank

RBC Royal Bank

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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

AA



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 many 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: cibc.com/agriculture

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National Voice Of Cattle Producers

STRIKING A BALANCE IN A BULL MARKET CANADIAN CATTLEMEN'S ASSOCIATION **2014 ANNUAL REPORT**

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