

Animal Health and Care Committee

The Canadian beef industry provides world-class health and standards of care for our animals. This is achieved through recommended production practices and adherence to provincial and federal regulations. These efforts have resulted in improved market access and consumer trust in our products world-wide.

Animal health and care are fundamental to our industry. Disease outbreaks, climate, regulatory reform, and innovations in health and welfare systems add to the complexity and challenges experienced by our producers on an ongoing basis. 2020 has been an unprecedented year due to the global pandemic and it has also brought many challenges specific to animal health and care. A selection of activity highlights is provided below.



Animal Health Canada

Building on the foundation of livestock traceability, the importance of effective animal disease prevention, preparedness, response and recovery (PPRR) is essential to ensuring the health and welfare of Canada's farmed animals. CCA is co-chairing a multi-species initiative called Animal Health Canada (AHC), which intends to develop a system wide collaborative mechanism to galvanize partners with a shared vision and objectives for an integrated approach to safeguarding animal health in Canada. AHC will deliver on the areas of action identified in Canada's Plant and Animal Health Strategy including 1) Coordination through Partnerships 2) A System Founded on Prevention and Defended through Effective Response and Recovery and 3) Collection, Analysis, and Sharing of Information.

Through a public private collaboration, and building upon and co-ordinating efforts, Animal Health Canada will achieve cohesion, maximize synergies, and minimize duplication and gaps in Canada's animal health system. Animal Health Canada will identify animal health priorities, including concrete actions for the near term, and work collaboratively with all partners to deliver on these shared priorities and actions.

OIE for Negligible BSE Risk Status Application

CCA co-chaired an industry/government working group for Canada's OIE BSE negligible risk application. Stakeholders from each sector of the industry, including service providers such as feed mills and renderers, worked in partnership to provide the necessary data for CFIA to complete the OIE application which was submitted to OIE in advance of the July 31, 2020 deadline. Three rounds of questioning by OIE have been completed and no issues or response delays occurred. The submission is now sitting with the OIE Review Panel who will forward a recommendation to the OIE Council by March 2021 where a final decision will be provided in May 2021. The effort was a resounding success in industry government collaboration.

Specified Risk Material (SRM) Review

CCA and CFIA have initiated a working group to review Canada's SRM removal. One of the review's objectives is to align Canada's SRM protocols to those in the United States. The working group will be focusing on key areas such as US-Canada Protocol Comparison, Public & Animal Health Considerations & Risk Modeling, and International Market Opportunity.

FMD Vaccine Bank

CFIA modelling has shown that a Foot and Mouth Disease (FMD) outbreak in highly populated livestock regions would represent one of the worst-case scenarios for Canada and would require between 1.9 million and 2.7 million doses of FMD vaccine. We currently have a significant shortfall in available emergency vaccine, and the 14-week timeframe to produce a vaccine represents a significant risk to the livestock industry and to the Canadian economy.

Given the establishment of the US FMD Vaccine Bank and the known catastrophic devastation risk of an FMD outbreak in Canada, CCA has lobbied the Government of Canada to establish a Canadian FMD Bank. Formal discussions between CCA, CFIA and AAFC were launched in the fall of 2020 and work will continue into 2021. CCA is recommending the FMD Bank have 30 million doses, consisting of 2.5 million doses each of 12 different FMD vaccine concentrates. The projected annual cost for this a fully functioning FMD Vaccine Bank is \$3 million CAD.

Animal Health Emergency Management (AHM) Response Plan

CCA is working closely with the AHM-II project to develop and test protocols to address gaps in several areas critical to the effective management of a serious animal disease outbreak. Activities also include doubling the number of provincial associations equipped with association-level animal health emergency plans and producer-level handbooks, and also supporting the development of



plans for national associations, all of which incorporate already developed national biosecurity standards. These efforts include the development of tools for industry partners to create awareness and understanding for their AHM plans and handbooks and begin the implementation process within their respective sectors, and finally, to develop a Continuing Education program for Foreign Animal Disease (FAD) recognition and response for practising veterinarians, working in collaboration with the Canadian Food Inspection Agency (CFIA) and engaging groups such as national, provincial and species-specific veterinary groups.

Traceability

The ongoing COVID-19 pandemic has further delayed the gazetting of the proposed traceability regulations. CFIA now anticipates late summer or fall 2021 would be the earliest these regulations will be published in CG1.

CCA has pledge, along with our affiliate organizations, to implement livestock traceability in a cost effective and efficient manner without inhibiting commerce. CCA is a member of the Regulatory Implementation Committee led by CFIA and had been actively working with CFIA to ensure regulations adhere to the industry supported Cattle Implementation Plan (CIP) and to ensure definitions within the regulations accurately reflect industry expectations.

Livestock Transportation

The proposed changes to Transportation of Animals regulations came into force on February 20, 2020 but a two-year transition period, specific to the feed, water and rest intervals was announced by Minister of Agriculture and Agri-Food Marie Claude Bibeau and CFIA in December 2019.

As the industry transitions and adapts transport times from the old regulations to the new regulations, the CFIA has stated it will focus its activities for feed water and rest times on compliance promotion through education and awareness measures for the first two years. This education approach will allow the CFIA and industry to continue to work together on effective solutions to identified concerns and for livestock sectors to implement any adjustments along with allowing time for transportation research that is currently underway to be completed.

The proposed changes have reduced the maximum time mature and fed cattle will be allowed to be in transit without feed and water from 52 hour to 36 hours and from 18 to 12 hours for ruminants too young to

be fed hay or grain. Changes to some definitions, rest stop duration and transfer of care requirements have also been proposed.

Proper animal care and welfare is paramount in the beef industry and producers are continually improving their practices and updating standards to ensure the best life possible for their livestock. Outcomes for transported cattle are very positive. Research conducted by Agriculture and Agri-Food Canada has found that 99.95 per cent of cattle on long hauls over four hours and 99.98 per cent of cattle on short hauls less than four hours reach their destination in good condition. Cattle producers want to ensure that any amended regulations do not inadvertently move this number farther away from 100 per cent.

The Transportation Beef Cattle Working group between industry and CFIA is ongoing. Key tasks include simplifying the record keeping components and consideration of standardized best management practice forms for regular transport, such as feedlot to processing. Rest stop infrastructure capacity continues to advance with a new privately-owned rest stop that has been built near Kapuskasing ON.

Cross Border Livestock Health

CCA is an active participant of the Pacific North-West Economic Region (PNWER) cross border livestock health committee. A number of key priorities were once again established by the committee and provide guidance for industry and government engagement throughout the year. Key priorities for 2020 include:

- CFIA/USDA develop, in cooperation and consultation with livestock organizations, 'disease zoning and/or regionalization' agreements in writing that minimize trade disruptions between US and CAN, as well as with other major trading partners
- CFIA/USDA and all industry sectors to prioritize national EM preparedness planning
- Host regular meetings/exercises between industry leaders and CVOs at CFIA/USDA or trilateral meetings
- CFIA/USDA/Industry to discuss depopulation and disposal strategies and determine the delegation of responsibility between industry and government

One positive outcome is that E-certification has now been deployed to expand functionality of feeder cattle export certificates from Canada to emulate the 24-hour travel time available by multiple trucks on U.S. feeder cattle export certificates. The 2020 PNWER conference has been postponed due to the COVID-19 crisis. The conference has been rescheduled for August 15-19, 2021 in Big Sky, Montana.

Committee Members: Pat Hayes, **Co-chair**, Reg Schellenberg, **Co-chair**, Grant Huffman, Ryan Scorgie, Miles Wowk, Jodi Flaig, Gord Adams, Mike Duguid, Matt Bowman, Craig McLaughlin, John MacDonald, Victor Oulton, Kirk Jackson, Rick Wright, **LMAC**, S. Hamilton, **YCC ex-officio**, K. Weston, **YCC ex-officio**.
CCA Staff: Brady Stadnicki and Dave Moss

Domestic Agriculture 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.

Over the past year with the emergence of the COVID-19 pandemic, the Domestic Ag committee has been focused on a number of important fronts in domestic agriculture policy in 2020. This includes lobbying for a Set-Aside programming through AgriRecovery to help manage reduced processing capacity and the subsequent backlog of cattle. Another priority has been working with western provinces to limit volatility under the WLPIP and expanding price insurance beyond western Canada, along with increasing support to provincial risk management programs. Finally, the committee spent considerable time analyzing the AgriStability program and lobbying federal and provincial governments to make improvements to the program.



COVID-19 – Set-Aside Programs under AgriRecovery

At the onset of the COVID-19 pandemic, CCA lobbied for recommending the immediate reinstatement of a Set-Aside program that was implemented during the BSE era to address the challenges with beef processing capacity being created by COVID-19. On May 5, Minister of Agriculture and Agri-Food Marie-Claude Bibeau announced \$50 million in funding for a Set-Aside program through AgriRecovery, of which the Federal Government covers 60 per cent of costs and the provinces have the option to fund the remaining 40 per cent. Alberta, Saskatchewan, Ontario and Manitoba have implemented an AgriRecovery initiative in 2020.

On May 7, Alberta earmarked \$17.3 million under their AgriRecovery program, which had two components. First, the Fed Cattle Feed Assistance, a retroactive payment for cattle set aside from May 1 to June 30 and second, a bid Set-Aside process for cattle set aside starting June 29, 2020. On May 14, Saskatchewan announced up to \$5 million in additional funding under AgriRecovery for a bid Set-Aside program to help Saskatchewan livestock producers manage the impacts of COVID-19 related market disruptions.

On June 17, Ontario announced \$5 million in support for the creation of a beef cattle Set-Aside program for Ontario under AgriRecovery. With the COVID-19 related temporary shutdown of the Cargill plant in Guelph, Ontario implemented the Set-Aside program on December 21. On October 15, Manitoba and the federal government announced the Canada-Manitoba Finished Cattle Feed Assistance Program, which offered up to \$2.5 million for cattle producers impacted this spring and summer by closed processors and back-logged feedlots. This program utilized federally funding but was administered by the Manitoba government.

Price Insurance and Ontario's Risk Management Program

CCA and its members have recognized the value of the livestock price insurance program as a risk management tool to cattle producers since its inception in 2009. CCA has supported price insurance going national and being available to all cattle producers across Canada. That started with the move to the Western Livestock Price Insurance Program (WLPIP) in 2012.

In early March when COVID-19 started to impact North America, extreme market volatility caused WLPIP premiums to increase significantly by about five times of the typical premium cost while insured indexes for calves also periodically dropped under \$2.00 per head. As a result, CCA spent considerable time working with AFSC, AAFC and western provinces on solutions to reduce premium costs in order for producers to utilize the program when they need it most. While there wasn't overarching program support announced, the Government of Saskatchewan did invest \$5 million to partially offset higher premium costs under the WLPIP and the Saskatchewan Cattlemen's Association (SCA) also contributed up to \$1 million. The Saskatchewan government covered 40 per cent of the increased premium costs, dating back to February 25, 2020, and the SCA

contribution offset an additional eight per cent of the COVID-19 impact on premiums. These premium rebates were scheduled to expire on December 31, 2020.

On May 14, an announcement was made to extend the deadline for obtaining calf price insurance across all WLPIP participating provinces from May 28, 2020 to June 18, 2020. Premium costs throughout the program did improve in the latter weeks of calf-contract availability which did help increase program uptake. CCA will continue to work with governments on improving the price insurance program design to ensure it can better handle the market volatility caused by events such as a global pandemic. CCA also remains vigilant in lobbying for price insurance to become a permanent program that is not dependent on renewal under each agriculture policy framework.

Considerable work continues on expanding the program beyond western Canada. A lack of risk management tools available in the maritime region, increases the price risk and limits the options for young producers in accessing financial support. Price Insurance, providing a floor price for a premium, would address some of the current challenges.

At CCA's 2019 semi-annual meeting, the Domestic Ag Committee passed a resolution that would support the development of a 5-year pilot of an Eastern Settlement Index that would be delivered in the Maritime provinces. The Eastern Settlement Index would consist of data from Ontario, Quebec and the Maritimes. CCA has advocated that administrative costs for the Eastern Settlement Index should be supported by governments and have the WLPIP federal backstop extended to include the eastern index.

In mid-June, the Beef Cattle Research Council approved funding for the Eastern Price Insurance project being completed by Kaastra Capital Corp. The project has two phases. The first phase will assess data availability for developing feeder and calf price indices utilizing data from Ontario and Quebec. The second phase will develop the feeder and price indices and complete a historical analysis. The goal of this project is to have everything in place for an administrator to take over in the spring of 2021. This will require the support of the Maritime provinces to proceed and be committed to delivering Eastern Price Insurance. CCA and Maritime provinces are continuing to work in parallel on those policy efforts.

The Government of Ontario also announced on July 16 that they would provide an additional \$50 million investment into the Ontario Risk Management Program (RMP). This has been welcomed news for Ontario beef producers who have been negatively impacted by processing capacity shortages along with volatility caused by COVID-19.



Business Risk Management Review and AgriStability Reform

COVID-19 has presented significant challenges to Canadian cattle producers such as temporary processing plant shutdowns and extreme market volatility. As the year unfolded, mother nature has also created challenges for many producers ranging from significant flooding in some regions to drought like conditions in others. It is abundantly clear that access to well designed and sufficiently funded business risk management (BRM) tools has never been more critical for cattle producers and the Canadian food system.

Since 2018, federal and provincial governments have been conducting a comprehensive review of BRM programs. CCA has continued to advocate for enhancements to the AgriStability program, including the removal of the reference margin limit (RML), increasing the \$3 million payment cap, increasing the trigger to 85 per cent of the reference margin and increasing the program's compensation rate. Some of these enhancements have been enacted in individual provinces for the current program year including British Columbia and Prince Edward Island, but other provinces have not yet moved on program changes.

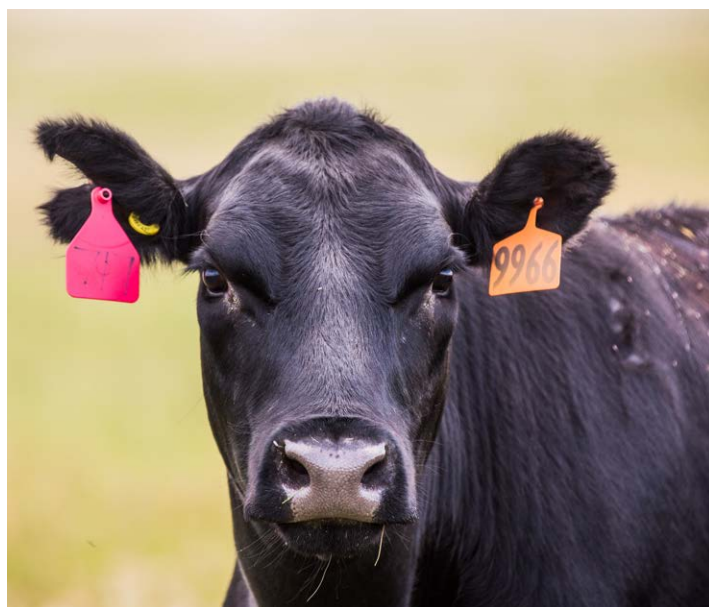
In order to bring more tangible evidence to federal and provincial governments that demonstrate why these program changes are needed, CCA partnered with the Alberta Cattle Feeders' Association, Beef Farmers of Ontario and Maritime Beef Council to develop a number of AgriStability models on western and eastern Canadian operations with Myers Norris Penny to show the impact of reference margin limiting, trigger percentages and payment caps.

The models clearly demonstrated that the RML unfairly limits many cow-calf producers reference margin under the program. These farms require a much deeper, if not devastating, drop in production before the program provides support. As a result, equity, predictability and fairness would be improved for the cow-calf sector if the RML is removed.

For larger feedlots, AgriStability payments cap out at \$3 million very quickly, leaving a feedlot of this size exposed to potential losses in the tens of millions of dollars when facing depressed markets as experienced during COVID-19. The current \$3 million cap on AgriStability payments has not changed in approximately 15 years. Yet, there has been a 47 per cent increase in the consumer price index, a 50 per cent increase in the average annual price for finished cattle, and a 70 per cent increase in feedlot input costs. The restoration of the payment trigger to 85 per cent of the reference margin or an increase to the compensation rate would also make the program more responsive to significant drops in farm margin and better support the viability of both cow calf operations and feedlots.

CCA had the opportunity to testify before the House of Commons Standing Committee on Agriculture and Agri-Food in June where Domestic Ag Co-Chairs Charlie Christie and Rob Lipsett presented key recommendations on BRM programs that will improve equity and effectiveness for beef cattle producers. The Agriculture Committee's released their BRM report in November and CCA was pleased to see a number of its recommendations on AgriStability, price insurance, Advance Payments Program and Livestock Tax Deferral adopted by the Committee.

Federal, Provincial and Territorial Ministers of Agriculture had their annual meeting at the end of November. As the meeting concluded, Federal Minister Marie-Claude Bibeau announced that the Government of Canada is prepared to make enhancements to the AgriStability program. In particular, the proposal tabled by Minister Bibeau to provinces and territories included the removal of the Reference Margin Limit (RML) and an increase to the compensation rate from 70 per cent to 80 per cent. Both are intended to apply retroactively to the 2020 program year.



The Minister also mentioned that the federal government is prepared to consider other program enhancement options.

Minister Bibeau acknowledged there was not national consensus among Ministers to agree upon and implement the AgriStability proposal as the provinces needed additional time to reflect and respond. While the proposal did not include everything CCA lobbied for, CCA supports the proposed enhancements and believes they will significantly improve the program for cattle producers. CCA will continue to engage with federal and provincial governments alongside our provincial members to seek national agreement on the AgriStability proposal.

Agriculture Labour

Labour shortages at the farm level and in beef processing have significantly limited the growth opportunities and overall competitiveness of Canadian beef producers. A recent report from the Canadian Agricultural Human Resource Council (CAHRC) indicates the Canadian beef cattle sector reported \$334 million in lost sales due to unfilled vacancies on farms, ranches and feedlots. According to the CAHRC report, which examines workforce issues in the agricultural sector to 2029, current chronic workplace shortages in the beef sector compounded by high rates of retirement will result in beef producers experiencing the second largest decline in labour supply within agriculture over the forecast period.

CCA continues to work collaboratively with agriculture and food industry stakeholders on a number of fronts to increase the skills and labour supply of workers in agriculture and food processing.

On May 15 the Government of Canada launched its Agri-Food Immigration Pilot. This pilot is intended to provide pathways to permanent residency for workers employed in primary beef production today. CCA is hopeful that the Agri-Food Immigration Pilot program will help put the industry on the path to resolving the labour gap by helping to ensure we have more workers in beef processing plants and at the farm level, along with providing workers with the opportunity for a pathway to permanent residency. The pilot will include spots for 2,750 full time, non- agriculture and agri-food workers annually.

Committee Members: Charlie Christie, **Co-Chair**, Rob Lipsett, **Co-Chair**, Ryan Scorgie, Jodi Flaig, Stuart Somerville, Pat Hayes, Lynn Grant, Tyler Fulton, Jack Chaffe, Nathan Phinney, John MacDonald, Philippe Alain, Rick Wright, **LMAC**, Carley Henniger, **YCC ex-officio**, Martin Clausen, **YCC ex-officio**. **CCA Staff:** Brady Stadnicki

Environment Committee

The challenge of COVID-19 has had its impact on CCA-to-government engagement on environmental policy issues. Our target remains firm, to enhance opportunities to partner on policy, especially environmental policy solutions we can crystalize with the federal government. Of course, we aim to counter the negative public misunderstandings related to these beef and environmental issues and liaise with CCA Public and Stakeholder Engagement team on that front. Across 2020 we continued to engage the federal government on a number of key files with an environmental focus seeking meaningful consultation and community-led and managed engagement to achieve positive outcomes.

Fisheries Act & DFO Aquatic SAR Recovery Plans

CCA has committed to consultations with the Department of Fisheries (DFO) on the regulatory development around the Fisheries Act. As well, CCA continues to engage with Parliamentarians, Senators, and government officials concerning the Fisheries Act. The Act received Royal Assent in June 2019 prior to the regulations being developed. The DFO pledged to consult with stakeholders on the development of standards, codes of practice, and prescribed works regulations. This process will continue out until 2023 if not beyond.

DFO has developed six interim codes of practice, without lead consultations, and we have provided initial feedback on these codes before they are to be finalized soon. Two of these codes raised concerns including beaver dam removal and culvert maintenance. CCA has drafted and submitted to DFO alternative text and recommendations and have sought clarity from DFO on the beaver dam removal code. To date, there has been no response.



CCA is also engaging with DFO for clarity on the development of recovery strategies for specific aquatic species including Bull Trout, Chinook and Coho Salmon and others, as it is unclear how critical habitat is determined.

Despite promises for robust and meaningful consultations with industry on this file, DFO has been slow to implement direct contact and consultations. However, in late December 2020, DFO launched their next phase of engagement with stakeholders, so we do remain hopeful this process will bear fruit in the coming weeks and months.

SARPAL 2

In August, CCA learned the Federal Minister of Environment Jonathan Wilkinson indicated Environment and Climate Change Canada (ECCC) would commit funding to the next version of SARPAL. CCA was encouraged that we had achieved this milestone and reached out to ECCC to get started on drafting a contribution agreement in order to get funding streams running and boots on the ground. Unfortunately, progress halted at the most senior ECCC levels to draft a template and share how they sought to conduct SARPAL 2.

At the end of September, we received a template and more information, including news that SARPAL 2 would be substantially different from the former version. ECCC is placing significant emphasis on the priority species at risk in southeastern Alberta and southwestern Saskatchewan, namely Greater Sage Grouse (GSG) and less so on a multiple-species approach seen in the former SARPAL program. This translates into a split program; one aspect being the usual approach working on the ground with ranchers on habitat conservation strategies, and other habitat protection and enhancements.

The new second aspect is ECCC's desire to test the waters on term conservation easements with landowners specifically to enhance/protect GSG habitat. After further revisions and communications with ECCC, on December 2, 2020, CCA submitted the draft work plan. At time of writing, negotiations on the contribution agreement continue with ECCC staff.



TESA Enhancements

This year marks the 25th anniversary of CCA's The Environmental Stewardship Award (TESA). To celebrate this milestone, significant enhancements are being undertaken. These will not mark the occasion but increase the profile of the award, regional interest in getting nominees and a general awareness among politicians, bureaucrats and the general public regarding the significant stewardship activities of Canada's beef cattle producers as well as the environmental benefits of beef cattle production in the Canadian context.

Enhancements include a revised and expanded communication strategy, alignment with conservation groups as foundational champions of the award and bolstering the judging structure, process and revisions to the eligibility for nomination to better include certain regions of the country. These enhancements will be complete in the first quarter of 2021.

National Grassland Task Force

In early 2020, the Canadian Wildlife Federation, Canadian Parks and Wilderness Society and ECCBC had been discussing the potential to create a national grassland task force with the aim of protecting this endangered ecosystem. CCA staff attended the first briefing session in November. It was noted that the primary entities invited to this session were mostly environmental non-governmental organizations, indigenous organizations and civil servants.

Noting the lack of agricultural representation, CCA requested beef producers be added to this task force understanding beef producers in Canada manage over 44 million acres of grasslands. It was agreed to include producers and Environment Committee (EC) members Lynn Grant and Miles Wowk agreed to be members on this task force and report back to the EC.

PMRA Strychnine Decision

At the EC meeting during the 2020 CCA Annual General Meeting, the EC outlined Health Canada's Pest Management Regulatory Agency's (PMRA) re-evaluation decision to cancel the registered use of strychnine for the control of Richardson's ground squirrels. In submissions, CCA had made its case noting the science used to back PMRA's decision was likely flawed. With the decision rendered, the PMRA allows those who oppose the decision to file a formal Notice of Objection. The notice, however, can only deal with scientific issues.

CCA, in concert with the Canadian Canola Grower's Association (CCGA), the Saskatchewan Association of Rural Municipalities (SARM) and the Saskatchewan Stock Growers (SSGA) rallied to share ideas and build individual yet aligned messaging in the Notices of Objections filed to PMRA. CCA also co-signed a letter with SARM, SSGA, Saskatchewan Cattlemen's Association and CCGA to Minister of Health Patty Hajdu noting the research cited does not support PMRA's final decision and in

fact, the research shows strychnine to be the most effective and safest way to control these pests. PMRA has yet to render a response on the registration cancellation.

Committee Members: Duane Thompson, **Chair**, Miles Wowk, **Vice Chair**, Grant Huffman, Doug Sawyer, Stuart Somerville, Lynn Grant, Reg Schellenberg, Mike Duguid, Gordon Adams, Craig McLaughlin, Holly Thompson, **YCC ex-officio**, Kate Barnett, **YCC ex-officio**.

CCA Staff: Larry Thomas

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Food Policy Committee

CCA's Food Policy Committee (FPC) enters its second year.

In 2019, CCA identified several food policy issues as priorities and thus the Food Policy Committee was born. Despite the disruptions of a global pandemic, the Committee made headway on various mandates including front of pack labelling, alternative proteins, food waste and more in 2020. The mandate of the FPC is to ensure federal food policy and food innovation supports Canadian beef as a strong, safe, and sustainable food choice for Canadian consumers.



Amid the rise of new plant-based food options, meat dishes still top food trends. Pictured here a birria taco. Birria is a traditional Mexican dish where meat is braised for hours with chiles and spices.

This year has been tumultuous and has required a redirection of resources on so many fronts. This has impacted FPC work, with delays in planned government timelines, a new schedule for the House and Senate as they learn to work remotely, and a Parliamentary prorogation. On the industry side as well, CCA staff and our stakeholders have been working hard to address the ongoing and disruptive nature of COVID-19.

Finally, the FPC Committee witnessed a change in staff support and welcomed Lauren Martin in October 2020 as the new staff lead, replacing Jennifer Babcock. Despite all the changes, FPC's second year was productive. As stated in Committee's Terms of Reference, FPC's duties and responsibilities include:

- Overseeing Government of Canada consultations related to food policy, including the Safe Food for Canadians Act / Regulations
- Developing food policy positions for CCA and communicating with government and interested stakeholders

- Food Guide and Policy lobbying and stakeholder communication on the many nutritional benefits of Canadian beef
- Stakeholder (partner) relationship management within the food and meat policy community
- Food labelling
- Food Waste
- Alternative and cell-cultured protein policy oversight
- Providing policy support to Public and Stakeholder Engagement and Canada Beef in their food and meat marketing, education, and communication efforts
- Meat inspection and grading, including instrument grading and new grading technologies
- Providing a forum for new food innovations

Here are a few key updates from the past year:

With respect to building relationships; CCA has been strategic about building government and stakeholder relationships. Staff meet regularly with officials within Health Canada, Canadian Food Inspection Agency (CFIA), Agriculture and Agri-Food Canada (AAFC), and Environment and Climate Change Canada (ECCC). Politically too, staff have made in-roads across party lines and meet with key stakeholders in the agriculture space frequently. Regarding stakeholders, creating partnerships among protein producers is an area of ongoing work. CCA considers Canada Beef, the Canadian Meat Council and the Canadian Pork Council partners in food policy work and this has been key in creating consistent messaging. Internally,

CCA staff have created a Food Task Force to work across the industry (both nationally and internationally) to have a cohesive and collaborative outward approach. Members include the Public and Stakeholder Engagement Team, Canada Beef and the Canadian Roundtable for Sustainable Beef (CRSB). Identifying areas of alignment with a broader group of protein producers such as chicken, egg, sheep, pulses and soybeans is an area for work in 2021.

Food waste is one component of CCA's overall sustainability efforts. Already, beef producers have many processes in place to reduce food waste but there is a further opportunity to conduct research to identify instances of food waste along the supply chain and what opportunities exist to reduce it. FPC's work in this area is in collaboration with the CRSB, the Beef Cattle Research Council (BCRC), and others. In November 2020, Agriculture and Agri-Food Canada (AAFC) announced a Food Waste Challenge. AAFC's Food Waste Challenge is a multi-million-dollar investment that will award funding

to innovative solutions that have the potential of reducing the most amount of food waste. This is an opportunity for CCA members, and FPC is poised to support member applicants.

The FPC is active in addressing issues related to alternative and cell-cultured protein policy and government regulations and monitors global trends for indications of where we see these policies shifting in the future.

Of particular note, in fall 2020, the Canadian Food Inspection Agency (CFIA) launched a consultation on the proposed changes to its Guidelines for simulated meat and simulated chicken. CFIA sought responses to proposed updates which included some modernizing of the simulated meat and simulated poultry products as well as new guidelines for certain plant-based protein foods. The updates are intended to provide consumers with information to make informed buying decisions and to clarify for Canada's food industry what constitutes simulated meat or poultry products.

CCA formalized a response, supported members and stakeholders in their responses, and worked with industry partners to ensure an aligned message. CCA's position is that the proposed guidelines do not encourage clarity principally because the term 'meat' is used to describe these products throughout. Consumers are free to make their own consumption choices, but it should be clear to them what choice they are making. Advocating for the removal of meat nomenclature for non-meat products, and further clarity for the consumer, will continue to be an FPC priority for 2021, an opportunity exists for CCA to take a leadership role.

Front-of-package labelling was also prominent for FPC in 2020. Health Canada is proposing amendments to the Food and Drug Regulations to require a front-of-package nutrition symbol on foods high in saturated fat, sugars and/or sodium and ground beef is not exempt; a decision that is not based in science. CCA is advocating for a full exemption and has been working with partners, including Canada Beef, to achieve this policy outcome.

CCA has worked on various government food policy initiatives, including the Food Policy Advisory Council. The Council reports directly to the Minister of Agriculture and Agri-Food, serving as a diverse advisory function. The Council's creation is in recognition of the collaboration necessary to make meaningful progress on the more complex challenges facing the food system. CCA appointed an FPC member to the Council and an announcement was expected in early 2020. Timelines have been delayed and CCA is actively monitoring for the outcome.

Looking to the future, FPC will lead CCA in preparing for the United Nations' Food Systems Summit, taking place fall 2021. The Food Systems Summit is part of the decade of action to deliver the UN's Sustainable Development Goals (SDGs) by 2030. The decade of action was called

for by world leaders at the 2019 UN General Assembly to accelerate efforts towards the achievement of the SDGs. As this is the first World Food Summit in 25 years, this global event is expected to influence international dialogue and domestic policy. A key concern of Canadian beef producers is the forum's focus on reducing meat consumption, particularly red meat, for environmental and health reasons.

There are nutritional and environmental benefits to the production of beef and CCA's goal is to ensure these facts are part of the dialogue. CCA will be working through its international partners to advance its objectives.



Committee Members: Co-Chair: Kirk Jackson, Co-Chair: Cathy Sharp, Sheila Hillmer, Ryan Beierbach, Ryan Scorgie, Matt Bowman, Nathan Phinney, Evan Chaffe, **YCC ex-officio**, Joyce Parslow, **ex-officio**; and Amie Peck, **ex-officio**. **CCA Staff:** Lauren Martin

Foreign Trade Committee

Agri-food trade and beef trade specifically, was anticipated to be positive this year with the recently negotiated access through various trade agreements and regained technical access. However, COVID-19 brought forward unforeseen challenges that tested the capacity of Canadian beef processors.

Compared to last year, 2020 annual exports were down three per cent in volume and up 1.2 per cent in value. Given the impressive recovery of trade in the second half of 2020 Canadian beef export value hit another record high this year which has been the trend since 2016.

Key factors to watch in the coming months and years in the global trade of proteins include; African Swine Fever's impact on protein supplies, the U.K. exit from the European Union and subsequent trade deals, the World Trade Organization (WTO) and its ability to maintain orderly trade, COVID-19 related support programs and their lingering impacts on trade and the continued impact of COVID-19 on processing capacity and consumers incomes.

Value of Beef Exports 2020

Country	December 2020	2020 as % 2019	% of Total Beef Exports
USA	\$2,457,486,040	5.3%	75.5%
Japan	\$304,591,803	-13.9%	9.4%
Mexico	\$127,498,889	-16.7%	3.3%
Hong Kong & Macau	\$155,903,188	-29.7%	3.4%
China	\$102,497,273	-1.6%	3.1%
South Korea	\$45,101,433	5.3%	1.4%
Taiwan	\$18,227,425	-16.4%	0.6%
EU (CETA)	\$32,744,619	15.8%	1.0%
Other	-\$3,903,317	-14.8%	-0.1%
Total	\$3,256,921,279	1.2%	100.0%



CCA's Fawn Jackson, Director of Government and International Relations and Trade Committee Chair Doug Sawyer presented to the Senate Trade Committee March 12, 2020.



CCA's Fawn Jackson, Director of Government and International Relations and President Bob Lowe present to the House Trade Committee on February 18, 2020.

In December 2019, the United States (U.S.) Administration reached agreement with Congress on the Canada-United States-Mexico Agreement (CUSMA) and this agreement was confirmed to be acceptable to both Canada and Mexico. This cleared the path for the U.S. House to pass the Agreement prior to Christmas and to be passed by the Senate in January. Canada passed the bill through our legislative processes through a cross party effort in an expedited manner as COVID-19 entered into Canada in March. This enabled CUSMA to enter into force on July 1, 2020 and was a welcome continuation of trade stability between the three nations. The leadership of the national cattle organizations of CCA, National Cattlemen's Beef Association (NCBA) and Confederacion Nacional de Organizaciones Ganaderas (CNOG) met via video conference on July 1 to celebrate the coming into force of the new trade agreement and sent a joint letter to the leadership of our three countries recognizing this achievement.

One of the key priority areas for the CCA during the re-negotiation process was to enable further regulatory cooperation across the border, while these were not achieved explicitly within the text, the processes to move such regulatory reform forward were. The CCA will continue to advocate for regulatory cooperation.

Importantly *Mandatory Country of Origin Labelling* (mCOOL) was kept out of the new NAFTA; however, mCOOL supporters continue their efforts to reinstate the discriminatory market effects in one form or another and the CCA continues to work with allies on this issue.

Throughout COVID-19 the Canada-U.S. border remained open to essential business travel, but restrictions were put in place for non-essential travel. While at the start of the new border rules there was some confusion, cross border trade continued operating without significant challenges. CCA worked in partnership with the Government of Canada to produce information regarding trade across the Canada-U.S. border. E-Certification is fully underway in ports in Manitoba as well as Ontario and CFIA is currently in discussions with producers in Alberta for trial processes.



Zoom meeting with the Honourable Jim Carr, Special Representative for the Prairies, for the CCA international trade fly-in fall 2020.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The CPTPP is a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. CPTPP came into effect amongst Canada, Japan, Australia, New Zealand, Singapore and Mexico on December 30, 2018. Vietnam became the seventh to implement on January 14, 2019. For the remaining signatories, Chile, Malaysia, Peru and Brunei, ratification is not anticipated within a short timeframe, however once they do ratify the CPTPP will enter into force 60 days after their ratification.

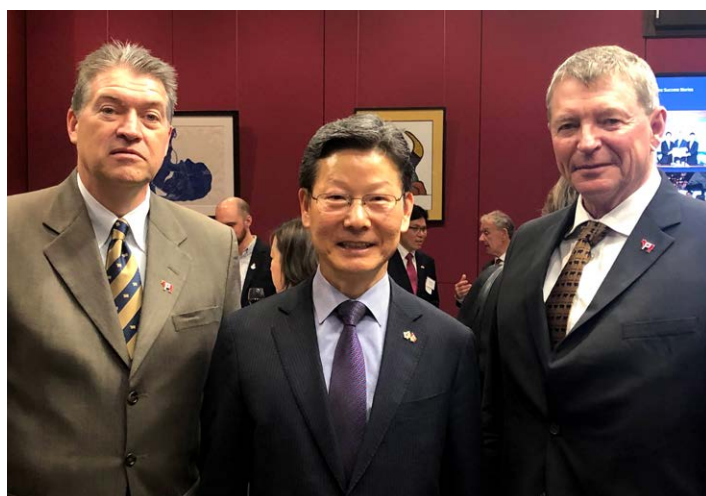
The access into Japan with the tariff dropping from the original 38.5 per cent to 26 per cent in 2019 was a leading factor in Canada's 2019 beef export success. Tariffs will be reduced to nine per cent within 15 years (2033). CCA is actively advocating for further expansion of the CPTPP subject to review of specific country barriers and potential for beef trade. As we expect the Asian region to hold the largest potential for growth in beef demand over the next 25 years, securing further access to key Asian markets is a priority. CCA is supportive of the economies of Taiwan, South Korea and Thailand moving forward in the accession process of the CPTPP. Interestingly China has indicated that it may be interested at some point in joining the CPTPP, the United Kingdom (U.K.) has also been vocal as of late of its interest in joining CPTPP.



Alberta Beef Producers January 2020 with the Honourable Jim Carr.

Korea

January 2020 marked the five-year anniversary of the Canada-Korea Free Trade Agreement and the sixth of 15 annual tariff reductions. In 2020, beef exports to South Korea at \$45.1 million were up 57 per cent from 2014 (\$25.8 million), however a number of challenges remain with exporting to the South Korean market and are limiting export potential. For example, in 2021, the beef tariff for Canada is down to 21.3 per cent and will be eliminated by 2029, we are behind the United States currently at 13.3 per cent and Australia at 18.7 per cent. Furthermore, all beef and offals must be from animals under 30 months of age while this type of restriction has been lifted in other markets such as Japan. CCA continues to encourage high prioritization be placed on harmonizing Canadian and American shipping requirements to South Korea and the removal of the American requirement for segregation; this has become even more important with COVID-19. CCA has actively engaged with stakeholders to advance Canada's priorities and will continue to do so until resolved.



CCA President Bob Lowe meets with Ambassador Maeng-ho Shin at the five year celebration for the Canada-Korea Free Trade Agreement.

China

Ten years ago, Canada exported no beef to China. From the commencement of exports in 2012, China grew steadily to become our fifth largest market in both 2017 and 2018. If it had not been for the suspension of trade in June 2019, China would have been neck in neck with Japan to be our second largest beef export market that year. Averaging \$9.76/kg, in 2020 China is behind only the EU in value per kilo of beef exported. By any measure, China is a valuable market for Canadian beef producers and exporters.

The challenge is whether Canadian producers can rely on predictable uninterrupted access to China. The Canada-China relationship continues to be tense with the continuation of Meng Wanzhou making her way through the Canadian judicial system and with China holding the two Michaels. In June 2020 China requested increased commitments from agri-food exporters around the world that their products are free of COVID-19. Food researchers globally have maintained that the risk of COVID-19 spread on food is extremely low. Alongside this request for commitment letters China

also temporarily suspended shipments from Cargill's High River plant in Alberta. Cargill High River is amongst numerous plants around the world that have been put on a temporary suspension list. Other plants were from Brazil, Argentina, Germany, the U.K., Denmark, the Netherlands, Italy and the U.S. The suspension for Cargill has yet to be lifted while it has been lifted for many of our international competitors.

In 2019 the export licenses of Canadian genetic companies to export Canadian livestock genetics to China were not renewed. China has recently undertaken virtual audits with Canada with the facilities however the results of the audits have yet to be finalized.

While Canada and China currently have a complicated relationship, CCA will continue to collaborate with colleagues and partners such as the Canadian Meat Council and the Canadian Pork Council to ensure that we are well positioned to serve our important customers in this market well into the future.

Europe

The Comprehensive Economic & Trade Agreement (CETA) came into provisional effect in September of 2017 and since then beef exports to and from Europe have grown. Using beef trade data from Agriculture and Agri-food Canada, the overall Canada-EU beef trade deficit (including the U.K.) was \$0.5 million in 2018, \$17.3 million in 2019 and an astounding \$96.8 million for 2020. Needless to say CCA is significantly concerned with how beef trade with the EU has progressed.

CCA continues working on a number of proposals with the CFIA aimed at facilitating the eligibility of Canadian cattle for export to the EU, a key limiting factor to increasing exports to Europe.

Chiefly we are seeking expanded certification options for these cattle whereby other recognized audit bodies could certify the eligibility of cattle for the EU in lieu of a producer utilizing a veterinarian authorized by the CFIA. In the meantime, CFIA has increased the number of authorized vets.



CCA and ABP met with International Trade Parliamentary Secretary Rachel Bendayan on January 28, 2020 and discussed how to improve access to Europe for Canadian beef.

The United Kingdom

The U.K. left the European Union (EU) at the end of 2020, which led Canada and the U.K. earlier in the year to pursue an interim agreement to transition between the Comprehensive and Economic Trade Agreement (CETA) and a future Canada-U.K. free trade agreement (FTA). On December 9, 2020, Canada and the U.K. signed the Canada-U.K. Trade Continuity Agreement (TCA) and are currently work towards ratification in early 2021. Under the agreement Canadian beef will have 2,311 tonnes cwe of fresh and 968 tonnes cwe of duty-free access in 2021 and 2,708 tonnes cwe for fresh and 1161 tonnes cwe of frozen access in 2022. All beef exports must be hormone free. Total access in 2021 is 3,279 tonnes cwe and 3,869 tonnes cwe in 2022. This is in addition to the access currently attained under CETA.

As the agreement was not ratified and implemented by January 1, 2021 Canada and the U.K. agreed through a Memorandum of Understanding (MoU) to apply tariff benefits on a reciprocal and provisional basis until the TCA enters into force. This Remission order will extend tariff benefits equivalent to those in the CETA that are replicated in the TCA.

Since it became clear that the U.K. would be exiting from the EU, the CCA has shared its key priorities for beef trade between the two nations with the Government of Canada earlier this year.



Doug Sawyer presenting via zoom to the House Committee on November 27, 2020.

CCA has consistently communicated concern with trade obstacles being carried over from the CETA to the Canada-U.K. transitional agreement and the future trade agreement with the U.K.

CCA recognized the Government of Canada's efforts to maintain uninterrupted market access into the U.K. by pursuing an interim agreement to transition between the CETA and a future Canada-U.K. free trade agreement (FTA) however has maintained that CCA's highest priority is on achieving a long-term FTA with the U.K. that resolves trade barriers that continue to exist. CCA is pleased to see a commitment by both Governments to return to negotiating a full FTA within a year and encourages both Governments to do so as soon as possible. Despite the growth of Canada's beef exports to the EU and the U.K. in recent years, the full potential of Canada's negotiated access under CETA has not been realized due to technical trade obstacles. CCA continues to actively engage the Government of Canada to resolve the trade

limiting factors both in CETA as well as within the interim arrangement with the U.K. Canada exported 1,584 tonnes pwe valued at \$18.8 million to the U.K. in 2019 and 1,415 tonnes pwe valued at \$17.6 million in 2020. While Canada imported 2,962 tonnes valued at \$15.8 million from the U.K. in 2019 and 5,393 tonnes valued at \$31.5 million in 2020.

It is imperative that the beef industries in Canada and the U.K. can equally benefit from and grow this trade relationship. This will be CCA's focus for future trade agreements.



Members of the International Beef Alliance meet at NCBA Convention

International Cooperation

CCA continues to be involved in a number of international collaborations including the International Meat Secretariate, the International Beef Alliance and the Global Roundtable for Sustainable Beef where we are able to work with our international peers. A key issue of common interest is the functioning of the World Trade Organization (WTO). In June, Prime Minister Trudeau participated in a virtual meeting of the Canada-led Ottawa Group on WTO reform in the context of COVID-19. In November Minister Ng Minister of Small Business, Export Promotion and International Trade, hosted a virtual ministerial meeting of the Ottawa Group on WTO where the topic of the importance of keeping agri-food markets open and predictable was discussed. Both CCA and the Canadian Agri-Food Trade Alliance continue to be engaged in discussions on WTO reform.

During COVID-19 200+ export restrictions were adopted by 93 countries: in July of 2020, the Ottawa group released its first iteration of an Action Plan seeking commitments to unwind export restrictions and other trade distorting measures, notably singling out agri-food trade and "unwinding of export restrictions".

A key concern for the CCA continues to be that the panel and appeal functions of the WTO Dispute Settlement system are no longer functioning due to the failure of WTO members to agree to appoint new members to the Appellate Body. The CCA has lived the importance of the

WTO through the mCOOL case and is continuing to communicate with the Government of Canada and other stakeholders the importance of finding solutions.

Committee Members: Co-chair: Reg Schellenberg,
Co-Chair: Doug Sawyer, David Haywood-Farmer, **Past President,** Cathy Sharp, Charlie Christie, Sheila Hillmer, Duane Thompson, Lynn Grant, Ryan Beierbach, Tyler Fulton, Rob Lipsett, Jack Chaffe, Philippe Alain, Jessica Sperber, **YCC ex-officio,** Ron Glaser, **Canada Beef,** Michael Latimer, **CBBC,** Rick Wright, **LMAC.**
CCA Staff: Fawn Jackson and Dennis Laycraft



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