

## Canada Beef

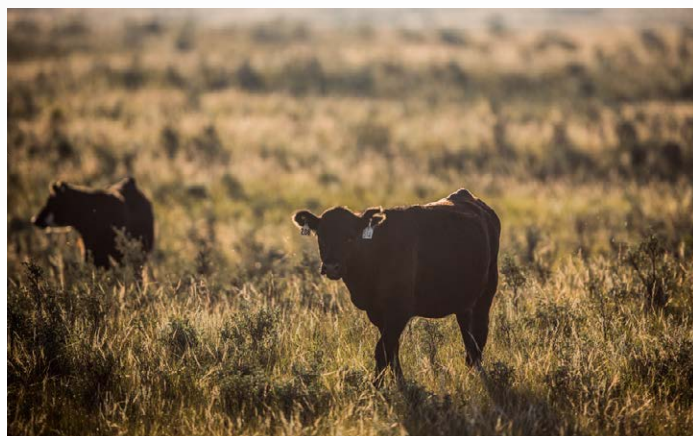
As the marketing division of the Canadian Beef Cattle Research, Market Development and Promotion Agency, Canada Beef is the cattle producer-funded and run organization responsible for domestic and international beef and veal market development. It has 24 staff in offices in Canada, Japan, China, Taiwan and Mexico.

In addition to National Check-Off and import levy funding, Canada Beef leverages cattle producer dollars with private market partner investments and government industry development funding to maximize the benefits of producer check-off investment.

Canada Beef works to build a dynamic, profitable and competitive Canadian beef and veal industry where Canadian high-quality beef and veal products are recognized as the most outstanding by domestic and international customers. These efforts ultimately increase demand for Canadian beef and the value producers receive for their cattle.

### COVID-19 Impact and Response

The COVID-19 pandemic had an enormous worldwide impact on agriculture and agri-food businesses. The rapid emergence of the pandemic impacted global supply chains and the normal daily routines of much of the world's population. Packing plant closures and slowdowns challenged North American delivery systems to keep domestic shelves stocked and meet export market demand. Canadian consumers experienced a sense of uncertainty, which resulted in stockpiling meat and other essential supplies. The pandemic significantly affected Canada Beef programs as virtually all domestic and international activities were impacted by social distancing protocols on cattle processing, retail and foodservice operations and the ability to export products to markets.



### COVID-19 Trade Outreach

Canada Beef worked collaboratively with the national associations representing beef, veal and pork. Resources were developed for Canadian consumers and for meat professionals in domestic and international markets. The focus was to provide reassurance around the safety of the meat and our ability to maintain a stable supply by safeguarding the health of Canadians working in the sector. In addition, Canada Beef's marketing team has developed programs to help increase consumers' comfort and skills in preparing Canadian beef at home.

A fact sheet outlining the measures taken by the Canadian meat industry to protect against COVID-19 was produced in eight languages. It was distributed, along with a cover letter signed by seven association leaders, to meat professionals in Canada, Mexico, China, Hong Kong, Macau, Philippines, Singapore, Vietnam, Indonesia, South Korea, and Japan.

A double page fact sheet was created for consumers with clear, easy-to-understand information on COVID-19—what it is, how to prevent it, the assurance that domestic livestock and meat are not affected, as well as food safety tips. The factsheet is available in English and French at [Canadabeef.ca](https://canadabeef.ca).

### COVID-19 Consumer Outreach

Canadians cooked at home like never before and one of the most popular items they cooked was Canadian beef. Interest in buying, preparing and serving Canadian beef was at a record high as well as the questions coming from consumers. The [Canadabeef.ca](https://canadabeef.ca) website saw a 66 per cent increase in total users (93 K) and 73 per cent increase in new users of the website in March compared to the same time last year. The ThinkBeef.ca website saw a 450 per cent lift in monthly visits – up by 13,000 visits comparing traffic in February to March (to March 23).

Two scheduled consumer marketing campaigns scheduled for March 2020 have shifted focus to meet consumer needs. Restaurant options are limited. We know consumers have stocked up on beef from the grocery store and while they're in their kitchens ready to cook, many aren't sure where to start—they need help in the way of recipes, serving suggestions and cooking instructions. Content shifted to focus on culinary topics—with recipe inspiration to shake up mundane meal routines, and how-to information to enable consumers to brush up on their beef-centric food skills.

### Domestic Market Development

Total beef consumption in 2020 is projected to be up 3 per cent with 78 per cent of beef consumed in Canada sourced from domestic production, down from 81 per cent in 2019. Wholesale demand has been relatively steady since 2016 ranging narrowly between 85.2 and 87.6. In 2020, wholesale beef demand is projected to be up 12 per cent with several demand and supply shocks resulting in volatile prices and strong retail demand—as the market was shaken by COVID-19.

## Expand Programs with Retail and Foodservice Partners

By focusing on brand partners with large volumes and influence (such as Sobeys, Costco, Loblaw, Walmart, Federated Co-op, Tim Hortons, Swiss Chalet, Montana's, Subway, Sysco), Canada Beef can ensure that these partners are well-versed in Canadian beef and can leverage the value of the Canadian Beef Brand.

This year, Canada Beef introduced a new domestic trade-marketing program called the Domestic Market Development Program. The Program provides cost-shared funding support for eligible Canadian Beef representative company-initiated projects and activities in five broad based categories essential for facilitating export market growth. It is a 50/50 per cent cost-shared funding for eligible stakeholder initiated for generic, branded and co-branded projects in Canada.

## Consumer Marketing and Public Trust

Canada Beef's social and digital spaces engage and connect with consumers and producers to build brand loyalty. With over 68,000 followers and 25 million impressions, Canada Beef continues to successfully build relationships and drive demand. In the Canadabeef.ca website, consumers and producers can source information regarding recipes, beef know-how, beef campaigns, fact sheets and events in both English and French. The Make it Beef (MIB) monthly e-newsletter is deployed to almost 40,000 subscribers covering topics that are both culinary and brand focused. The Roundup App is a mobile beef buying and cooking app, designed to help consumers have better success with beef when they cook at home. Closely related to consumer marketing are efforts to build the beef industry's social license with the public. Canada Beef continues to partner with the CCA and other beef industry groups to address public and consumer concerns about beef production, while also building/reinforcing the Canadian beef brand.

## Generic Beef Marketing Funded by the Import Levy

The Import Levy (collected on beef imports at the equivalent rate of \$1 per head) continues to provide funding for positive beef messaging across Canada. With consumers' diminishing food skills, concerns over healthy diets and public trust issues, Canada Beef developed targeted initiatives to positively influence consumer preference for beef over other proteins. Visit [www.thinkbeef.ca](http://www.thinkbeef.ca) for access to marketing resources generated from import levy funding.

## Canadian Beef Centre of Excellence

The Canadian Beef Centre of Excellence (CBCE) is a teaching/training demo theatre featuring: fabrication room; commercial and home kitchen; boardroom and dining room; world-class equipment; and, HACCP standards. The CBCE team embraced the need for digital training resources and increased distance learning opportunities. The team created educational video resources for Canada Beef's new trade website, [www.cdnbeefperforms.ca](http://www.cdnbeefperforms.ca). Quick, engaging and entertaining, the videos meet the needs of four distinct Canadian beef-user audiences from aspiring home chefs and butchers to seasoned veterans in culinary and meat cutting industries.



## Protect and Grow Canadian Beef in Export Markets

Canada Beef's work in export markets is creating opportunities for the Canadian beef industry to realize greater value for the carcass than could be realized in the domestic market alone. As well as offering competitive bids on middle meats, the export markets can deliver better returns for end meats, credit/thin meats and offal than here at home. These export markets have been affected by the COVID-19 pandemic similar ways to the domestic market.

Canada Beef introduced a new export program this year called the Canada Beef Export Market Development Program that provides cost-shared funding support for eligible Canadian Beef representative company-initiated projects and activities in five broad based categories essential for facilitating export market growth.

The program features 50/50 per cent cost-shared funding for eligible stakeholder-initiated projects outside of Canada with a potential for 75/25 per cent cost-shared when stacked on provincial government grants.

Canadian beef exports from January to November 2020 were down 4.6 per cent in volume and up 0.2 per cent in value. These are down from the 2019 record high values and near record high volumes. Overall, Canadian beef export demand is projected to be up 3.4 per cent from 2019.

## Stay in Touch with Canada Beef

Canada Beef launched a monthly e-newsletter to keep beef producers and stakeholders informed about the work the CB team is doing in Canada and the export marketplace. Anyone interested can sign-up at <https://canadabeef.ca/sign-up-canada-beef-performs/>.

## Canadian Beef Breeds Council

It was a historic year for the Canadian Beef Breeds Council (CBBC) on a number of fronts. On July 1, 2020 CBBC became a division of the Canadian Cattlemen's Association. The alignment of the seedstock and commercial cow/calf sectors under one roof will create opportunities that will have long-term benefits for the entire beef industry.

The COVID-19 pandemic impacted every aspect of our lives. Bull sales were underway when restrictions on gathering size and travel were first implemented across Canada. While we were not able to hold sales in our traditional format, which are also a social and networking opportunity for cattle producers. We were able to carry on with the business aspect where a significant number of transactions occur. Producers were faced with daily changes, market fluctuations, packing plant closures all at a critical time for those selling and purchasing bulls. Our industry adapted overnight, utilizing online sales, following COVID-19 guidelines and ensuring everyone remained safe and healthy. This carried on into the fall run of feeder-calf and seedstock production sales as the second wave was taking hold. In both instances, cattle sales were able to continue and reported prices were on par with the previous year in terms of price and volume. This speaks to the resiliency and strength of our cattle producers who are all too familiar with adversity.

In 2021, the CBBC will focus on the implementation of Canadian Beef Improvement Network (CBIN) and continued work in promoting our Canadian genetics internationally. These activities will be key components of repositioning CBBC and breed associations as a global-leaders in data-based genetic selection technology. This will have positive impacts for both the commercial and seedstock sectors as we adopt technology to identify the genetics that work for our operations and deliver a product that is in demand around the world.

### Canadian Beef Improvement Network

The CBIN initiative continues to develop as a key component outlined the National Beef Strategy. It will be the platform for data driven genetic decisions for the Canadian beef industry. CBIN is a cross-sector network of leaders focused on creating an ecosystem for collaboration and advancement of genetic based innovation to progress environmental based selection and increase farm profitability.

A business plan was created and adopted by the CBIN Advisory Working Group which outlines the path to implementation. CBBC will serve as the incubator until such time as CBIN can branch out as its own viable legal entity. A new governance structure was approved which will serve to advance the development of CBIN. CBIN will continue to collaborate with partners from every aspect the production chain.



The advocacy work to further develop the initiative will continue into 2021 as partnerships are developed and long-term funding is secured. As we develop CBIN it is more evident than ever that the benefits are important for the continued viability of our industry as we address political and environmental pressures through genetic selection and technology utilization.

### International Market Development

As the world changed seemingly overnight the international market development initiatives of CBBC and its membership were impacted immediately. With borders closed to travellers, restrictions on gatherings, event cancellations both in Canada and internationally, a new approach was needed. The CBBC AgriMarketing project that was approved by Agriculture and Agri-Food Canada (AAFC) in March required a complete amendment before the ink was dry.

We were successful in transitioning activities and continuing our efforts in new and innovative ways. A number of domestic and international events were transitioned to a virtual format and our members were able to participate. The future is still uncertain even as vaccine programs are being implemented. It will be some time before our efforts return to normal, but as previously demonstrated stakeholders in the cattle industry are resilient, persistent and if there is an auction sale they will be there.

The impact of agriculture being declared an essential service early in the pandemic was important to maintaining stability and confidence in the market. For seedstock producers the ability to transport live cattle and genetics across the U.S.-Canada border was critical to their business continuity. Maintaining access to American cattle genetics and the ability to market our genetics into our largest market are critical for the profitability of our farms and ranches. The exchange of genetics between Canada and the U.S. is important for our seedstock producers who often source genetics in the U.S. for use in their breeding programs.



## Canadian Beef Check-Off Agency

This past year as the Chair of the Agency, I have witnessed our organization hit its full stride and take hold of the matters important to producers. It is our job to oversee the check-off administration and investments on behalf of Canadian beef producers and I can confidently say that I am proud of what these investments continue to accomplish.



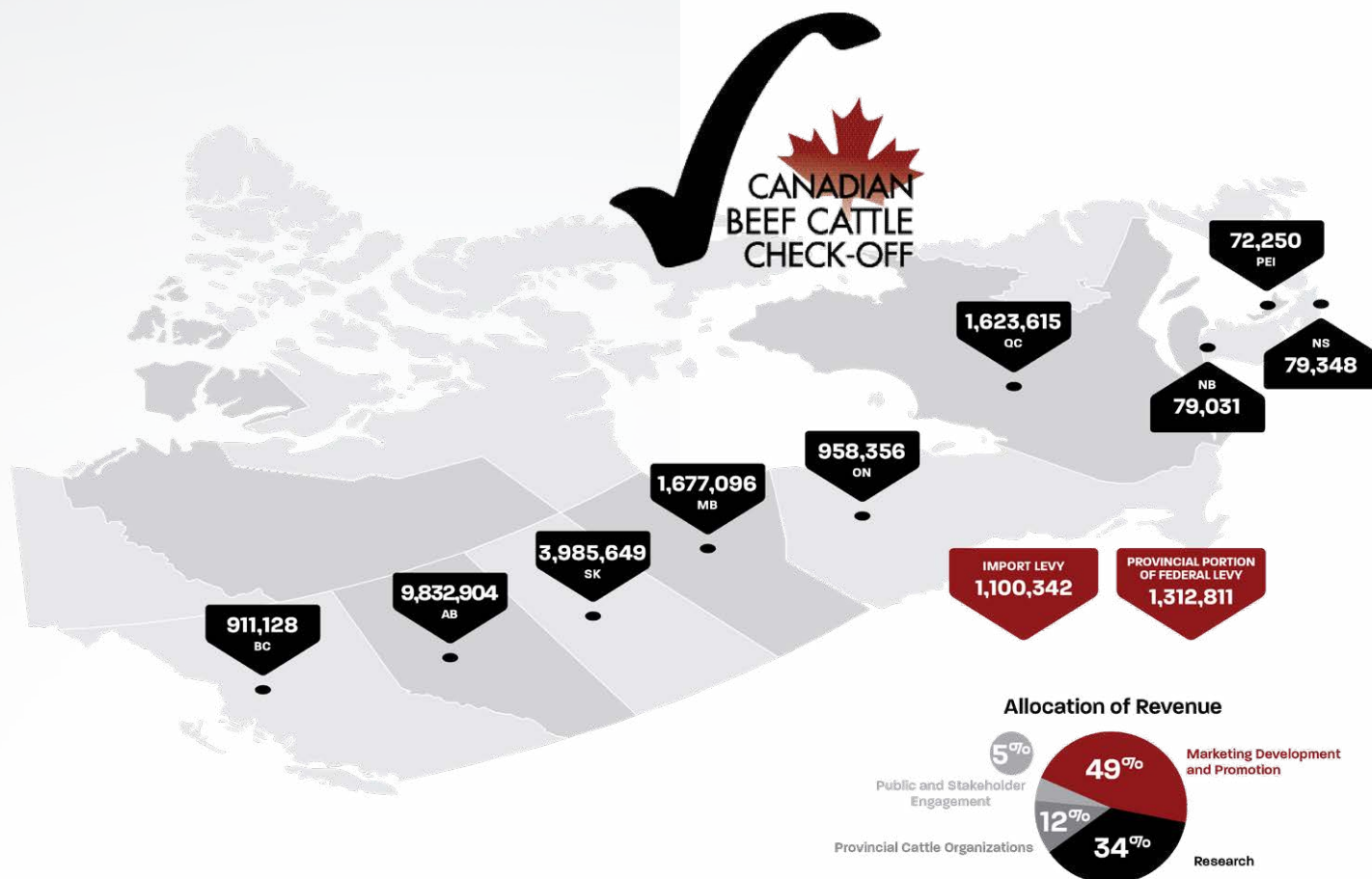
**Chad Ross, Chair, Canadian Beef Check-Off Agency**

In 2019/20 the Canadian Beef Cattle Check-Off invested into national programs was \$17,906,566 from cattle marketed across Canada.

Of the total check-off funds collected, net administration, 49 per cent was allocated to market development and promotion, 34 per cent to research, 12 per cent was retained by the provincial cattle organizations for regional marketing and research programs and five per cent was allocated to Public and Stakeholder Engagement.

The Import Levy on beef cattle, beef and beef products imported into Canada was also collected at a rate of \$1 per head equivalent, for a total of \$1,100,342. These funds, net administration, are allocated to unbranded, generic beef marketing such as nutrition marketing, recipe development and culinary skills education.

With a record amount of check-off being collected this year, I know that we have an important job to do. The check-off investments made to research, marketing and public and stakeholder engagement need to make a measurable difference to the industry and help our beef and veal producers see valuable returns.



The Agency's operations and administration expenses totaled \$718,870, which included both our Agency Board of Directors and the Marketing Committee. It is up to our Agency Board to ensure that the dollars are invested into programs and strategies that will make a difference today, tomorrow and down the road. This includes our own administration and programming expenses too.

We spent time on some of our regulatory framework this year, reviewing the Proclamation under which we operate.

We worked with our provincial partners to ensure that the framework continued to allow us the freedom to provide the best possible value for Canadian beef and veal producers.

The Agency was pleased to enter into agreements with the Veal Farmers of Ontario. The agreements strengthen Canadian veal marketing as a part of the larger Canadian veal marketing initiative, while adding an additional levy collector to the provincial cattle associations across the country.

We also targeted compliance on check-off and import levy collections this year. The federal levy on interprovincial marketing was targeted for inspections on auction markets and dealers with the focus on education and understanding levy remittances. Another component of that was working with all of our provincial association partners on check-off collection and remittance training, to help us all work together to increase compliance, reduce slippage and have a consistent level of base knowledge across the country.

The Agency took a more strategic approach to import levy collections and has been able to hold the amount of uncollectable levies to approximately five per cent of total import levy receivables. This has been a monumental task for the Agency, reviewing over 200 invoices per month, and dedicating special attention to hundreds of companies to ensure timely payments and help them understand the ins and outs of the levy.

The Agency's website traffic grew through the year, with a total of 5,333 unique users visiting the site. The site, along with the Agency's social media channels increased reach to producers to new audiences, focusing on young producers. Our following grew on all channels, and we continue to try and communicate effectively with you – our most important stakeholders – in as many ways as we can.

The Agency's Board was committed to transparent governance and to developing strong policies to govern the Agency. The strengthened policy manual and the work done on succession planning and business continuity this year will help guide the Agency now and as the industry



grows and transforms. By working with board members who have the interest and skills to grow their leadership roles at the Agency, the Board is able to plan for the future and ensure a sustainable leadership model.

We were able to have our Marketing Committee fully functional for its second year. The group is incredibly dedicated and producers can rest assured that this committee has their best interests at heart. The Committee operated at arm's length from the Agency, while guiding the strategic direction of Canada Beef, the organization investing check-off dollars into market development and promotion. The Committee ensured continued separation from the Agency administration, and clear lines of governance and communication.

The year of 2020 has brought some incredibly difficult times for our industry, and I know that there have been many sleepless nights and difficult conversations by producers and industry partners alike about the future of our industry. In light of that, I want to assure you that our Agency, and all those who invest check-off dollars on your behalf, have been working incredibly hard to do what's right for the Canadian beef industry.

And while things might look different for the foreseeable future in so many ways, rest assured that we continue to focus on the best interests of our Canadian beef and veal producers every single day.

To all of you who represent our industry - thank you. Thank you for continuing to provide food to Canadians and the world, and for being dedicated to what you do. It is your dedication and passion for our industry that makes this job so rewarding.

Regards,

Chad Ross  
Chair, Canadian Beef Check-Off Agency

## Canadian Cattle Identification Agency

Continuing to prepare for and anticipate proposed regulations, launching a new resource centre and operating through a global pandemic has all made 2020 an interesting year for the Canadian Cattle Identification Agency (CCIA).

### COVID-19

CCIA paid close attention to all public health updates and incoming information regarding COVID-19. As a happy result, CCIA's digital systems worked well by offering traceability needs from the comfort and safety of the user's home. The Canadian Livestock Tracking System (CLTS) and the CLTS MOBO APP were created for that convenience, and these platforms continued to assist with traceability requirements. Tags were shipped directly by mail through the webstore and Client Support Representatives were available toll-free to assist users with any additional needs.

Staff worked from home from March to September, and again starting in November, with a current return later in 2021.

CCIA is also pleased to be providing assistance to the Alberta and Saskatchewan provincial governments with the Set Aside program for fed cattle.

### Proposed Regulatory Amendments

All regulatory packages have been placed on hold. It is anticipated that in the late summer of 2021, based on priority for release that will not impact the economic recovery, Canada Gazette I (CGI) will be published for the traceability regulatory amendments. It will be followed by 90-day consultation period. It is an additional two years from that point until regulations will be in effect.

The regulatory changes are intended to enable more of a timely and effective response by Canada Food Inspection Agency (CFIA). Proposed amendments to Part XV of the Health of Animals Regulations have been postponed once again but are still under consideration.

### Tags

#### Allflex

In anticipation of the fall run, Allflex made specific advancements to the stud component of their tags, as part of their commitment to continual improvement and to provide a response to tag retention issues reported by producers. The new design and manufacturing methodology, which has been validated globally on tens of millions of animals, will be adopted immediately upon CFIA approval and identified on Allflex packaging with an updated notification sticker.

#### Ultra-High Frequency (UHF) Tags

There has been lots of discussions about UHF tags, and it is highly supported by the feedlot and packer sectors. While CCIA is technology neutral, we have a project underway to review all the relevant literature

available on the subject and its application to the livestock industry. The next step to that project would be to draft an implementation plan to phase out of the current tags (low frequency) and phase-in UHF. That portion of the project has been submitted for funding.

It is important to remember that International Organizational Standards (ISO) for UHF technology are two years away from having testing standards for UHF. All current approved tags have to meet ISO standards.

### The new CLTS Resource Centre – your “How To” Destination

The new and improved CLTS Resource Centre (CRC), [support.canadaid.ca](http://support.canadaid.ca) went live mid-year. It was a big project for the Communications, Client Support and IT teams.

The new CRC is your “how to” destination for everything Canadian Livestock Tracking System (CLTS). Here you'll find comprehensive guides for how to submit events, frequently asked questions and more. Each guide features simple instructions and screenshots to guide you through each process step-by-step.

### Chat Feature

We've added a chat feature to [canadaid.ca](http://canadaid.ca) and [support.canadaid.ca](http://support.canadaid.ca) providing another option for customers to reach Client Support without speaking directly on the phone or sending an email. The chat box only appears during business hours.

### Change to Submissions to the CLTS

On October 1, CCIA began phasing the requirement from 9-digit data entry to all 15 digits when submitting data to the CLTS. This is a staggered change allowing all types of data submissions to make necessary modifications. The change will be totally implemented by March 2021. The tags have not changed, they have always had 15 digits, only the submission to the CLTS has changed, now requiring all the digits.

### Dairy

Lactanet Canada and Dairy Farmers of Canada (DFC) moved forward with DairyTrace, the national dairy cattle traceability program. This became a reality in October and provides a single, common framework for dairy farmers to track animal identity and movements. Earlier in the year, the CFIA recognized Lactanet Canada as the national administrator responsible for dairy bovine animals under Part XV of the Health of Animals Regulations.

CCIA entered into a service agreement with Lactanet and after the October 5 DairyTrace launch continued receiving data from intermediate (i.e. feedlots) and terminal sites that report events for dairy tags. The reporting for those regulated parties will continue as they know it, but all data related to dairy tags will reside at DairyTrace and not in CCIA's CLTS database.

## Beef and Veal Committee – Canadian Meat Council

The COVID-19 pandemic has had widespread impacts and has seriously affected the members of the Canadian Meat Council (CMC) and our members of the Beef and Veal Committee (BVC). Members have shown amazing resiliency in a time of great uncertainty and despite all the challenges faced continue to produce while protecting the safety of their people.

The last face-to-face meeting was held in June of 2019 in Niagara Falls. Three conference calls were held between July and October and the Sub-Working Group on Traceability met several times to finalize the input on proposed changes to the Animal Identification and Traceability Regulations.

### Market Access Priorities

In October 2019 CMC provided our list of Market Access Priority issues to Director General of the Market Access Secretariat (MAS) of Agriculture and Agri-Food Canada. In addition, CMC was consulted on a review of the Market Access Priorities ranking process where we were able to point out some of the flaws in this system that prevent smaller companies from advancing their market access priorities. As a result of this input, we understand that MAS will be changing the way they rank priorities.

### Traceability

The new proposed traceability regulation is one of the key concerns of members of the BVC as it could impose considerable costs on establishments by forcing changes to the way we report traceability information.



CMC has been actively participating in a Traceability Working Group with CFIA and AAFC and are lobbying for changes in the proposed legislation. The BVC Sub-Group on Traceability was formed in October and established the parameters for a Mock Trace-Back exercise to prove to the Canadian Food Inspection Agency (CFIA) that establishments can already provide the information requested without having to invest in these costly reporting changes. In addition, CMC/BVC members participated in the Government-Industry Regulatory Implementation Committee (RIC) and the Industry Government Advisory Committee (IGAC). CMC/BVC has provided formal comments on the regulations followed by the Mock Trace Back Exercise results to show this information can be provided on request in very short timeframe.

### Beef Grading Agency – Livestock Grade Requirements Standing Committee

The BVC discussed support for the changes that have been presented to the Livestock Grade Requirements Standing Committee (LGRSC). The change to veal carcass weight proposal was agreed to. There was discussion around the Yield Grade – Best Side Proposal by CCA and while the BVC felt there was no real benefit for packers they agreed to support on the condition CCA supported changes to dark cutters grading standards. This has been delayed by COVID-19.

### BSE – OIE Negligible Risk application

CMC and BVC members have actively participated in the Government Industry Working Group on Canada's application to the OIE for Negligible Risk Status for BSE. CMC provided extensive background material to assist CFIA in their submission. Canada's submission has now been sent and the final decision will be announced in May 2021. Approval for Negligible Risk Status will be a game changer for the Canadian beef industry and will trigger opening of export markets that have been simmering for years.





## SRM Removal Costs Survey

One of the costliest measures facing our members is the Specified Risk Material removal requirements which are different than our counterparts in the U.S. The difference in the amount of SRM that Canada must remove versus the U.S. makes us very uncompetitive, both in the U.S. and in international markets. CMC is working with CCA and NCFA to encourage CFIA to harmonize the requirements with the U.S. While CFIA is linking this to our Negligible Risk Status, OIE guidelines would suggest this is not a prerequisite. CFIA has agreed to work on this policy with industry and a government/industry working group, similar to the OIE BSE Negligible Risk Submission Working Group, that has been initiated to review the process and establish a way forward.

## EU Working Group

CMC has been actively working with the Market Access Secretariat and CFIA towards improving access for beef products to the EU. CMC is working with veal members to develop a protocol to allow veal to be shipped without having to participate in the costly Growth Enhancement Free program (GEP) in which beef members must comply. GEPs are not allowed to be used in veal so veal should not have to use that program. A simplified protocol is being finalized.

Other issues to be addressed will be the use of processing aids and access to more cattle. CCA is working on a program for dairy cows that never have been given GEPs and mature breeding cattle, also never given GEPs.



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## Trade Agreement Updates

CUSMA was implemented on July 1 and our unaddressed issues can now be referred to bilateral committees once they are established. COVID-19 has delayed some of this work.

CMC has been working with GAC and AAFC Trade Negotiations Directorate to ensure access to the U.K. once Brexit is fully enforced. In 2021, negotiations will continue on a bilateral FTA between Canada and the U.K. for future and hopefully improved access. Our industry has requested that access be equivalent, and Canada should not allow the U.K. more access than they allow Canada.

## Product of Canada

There is a renewal of the calls for COOL - Country of Origin Labelling requirements in the U.S. This time as a voluntary program and it seems to have some support from our allies. We have been advised that the inconsistency in Canadian guidelines for Product of Canada definitions is difficult for our allies to defend to the pro-COOL side in the U.S. For U.S. slaughter cattle sent to Canada to be called Product of Canada, there is a requirement for a 60-day residency, whereas Canadian slaughter cattle can be sent direct for slaughter and slaughter determines origin as per international guidelines. Canada must fix this discrepancy and a joint letter from CMC, CCA, and NCFA was sent in June 2020 to the Minister of Agriculture and President of CFIA.



## Livestock Markets Association of Canada

Over the past year Livestock Markets Association of Canada (LMAC) has been busy representing its members and the marketing sector on a number of files.

LMAC helped develop COVID-19 protocols for all of the auction markets. The safety of producers, buyers, employees and service providers became an even bigger priority than before. They also distributed timely and accurate information to their members in an effort to make sure that the marketing sector was getting up-to-date real time information on changes and recommendations. During the summer months, LMAC developed weekly newsletters for its members, industry partners and service providers. Auction markets and assembly yards were given essential services designation in all provinces.



LMAC representatives were on over 100 conference calls and virtual meetings with CCA and both the provincial and federal governments, dealing with challenges brought about by COVID-19. LMAC appreciated the opportunity to be part of these discussions.

The new transportation regulations are nearing the end of the first year of the "phase-in program". The reduction of hours off feed and water to 36 hours is problematic for the movement of livestock, especially from the west to east. The lack of infrastructure, along with the locations of facilities to handle the increased need for feed and water stops has been identified, but there has been little forward movement at this time to deal with the problem. Existing facilities are at maximum usage during the peak times. The new regulations could require double the amount of feed and water locations in northern Ontario.



*Herefords at an auction market.\**

*Charolais Heifers at an auction market.\**

The requirements to have feed and water documentation accompany livestock delivered to and loaded out of auctions and assembly yards is a major concern moving forward. LMAC has suggested to CFIA that this only be required on trips of over eight hours duration. Producers and transporters are, in most cases, unaware of this regulatory change, and LMAC fears that the intermediate sites will be made responsible for enforcing the regulations on deliveries.

The "transfer of responsibility" in the new regulations is very cloudy at this time, and LMAC is working to have clearer definitions given to industry.

The Humane Handling and Transport committee, chaired by CFIA, has had some productive meetings to deal with the transport concerns. The new faces at the table from the Canadian Food Inspection Agency (CFIA) are much more approachable and have been more willing to listen to industry to find workable solutions. Both CCA and LMAC representatives are very active on this committee.

LMAC is preparing for the new traceability regulations. LMAC's position of reporting group movement and not scanning individual animals has not changed. LMAC is working with a software developer to provide group movement reporting to CCIA. There has also been discussion in the provincial livestock inspection groups by using their services and building on existing infrastructure. Provincial jurisdiction has hindered the talks from moving forward at this time.

LMAC is working on updating the projected cost of implementing the traceability regulations to the marketing sector. LMAC still expects the federal government to cover the implementation costs of traceability as well as some of the ongoing costs.



**Charolais Alley**

LMAC has representation on the National Farmed Animal Care Council's Transportation Code Update Committee, as well as some of the working groups. This is LMAC's first major involvement with NFACC.

LMAC is concerned that "species harmonization" in the transportation code could negatively affect the cattle sector. LMAC feels that the development of the code should have major input from industry sectors that have practical experience in the industry, and not just academic experts.

LMAC is also represented on the working group for the Canadian Livestock Transportation Certification redevelopment. If Canadian packers add this as a requirement for transporters to deliver to their packing plants, direct deliveries from the markets or electronic sales would be affected.

The issue of electronic logs for cattle transporters will be a hot topic during the next year. LMAC will be lobbying for an exemption for livestock, allowing them to be delivered to their destination within a reasonable time without having to sit on the side of the road while the drivers wait to reset their log books.

Rick Wright, LMAC's liaison with CCA, has participated in a large number of CCA committee meetings over the past year. He had been very involved with the CCA Animal and Health and Care Committee, along with the CCA Policy Response Team that dealt with COVID-19 related issues in the livestock industry.

The LMAC feels that their associate membership in the Canadian Cattlemen's Association has been a huge benefit to both organizations.

LMAC would like to recognize the extra effort and dedication of the CCA Board of Directors and staff during this challenging year in the cattle industry. We would especially like to thank the staff who worked tirelessly behind the scenes, led by Dennis Laycraft, David Moss, Brady Stadnicki, Fawn Jackson and Michelle McMullen.



**Mixed cattle at an auction market.\***

This past year has brought the cattle industry together and will make the industry's voice even stronger. LMAC looks forward to working with CCA in the future on the aforementioned issues and sharing resources and expertise to keep the cattle industry sustainable and profitable in the future.



\* Markets were pre- COVID-19.



## National Cattle Feeders' Association

The National Cattle Feeders' Association (NCFA) serves as a unified voice for Canada's fed cattle producers. Our membership is comprised of provincial beef organizations from Canada's major cattle feeding regions, each of which contributes funding to NCFA based on their province's proportionate share of total fed cattle production.

The pandemic saw slow-downs and shut-downs in beef processing, which then caused 130,000 head of cattle to back-up on our feedlots.



*Michel Daigle, NCFA Chair*



*Cattle at a feedlot in Ontario.*

### COVID-19

Without doubt, the year 2020 will go down as one of the most difficult and challenging years on record for the Canadian beef industry. The COVID-19 pandemic saw slow-downs and shut-downs in beef processing, which then caused 130,000 head of harvest-ready cattle to back-up on our feedlots and costing feeders \$500,000 each and every day.

This, coupled with a collapse in fed cattle prices that have yet to recover, has generated a staggering \$500 million loss for the nation's beef producers.

A collaborative effort with our beef industry stakeholders resulted in a policy response to help address the crisis, mitigate its effects, and get in place federal and provincial financial backstops to ensure industry liquidity:

- Serving on the COVID-19 Emergency Lead Team, Policy Response Team and Communications Team
- Agriculture and agri-food is deemed "essential" to keep cattle moving through the supply chain
- Foreign workers under TFWP and CUSMA can enter Canada despite border closures
- Up to \$85 million in federal-provincial Agri-Recovery secured for feed cost and Set Aside programs
- Up to \$50 million in federal support for costs of mandatory isolation under the TFWP
- Up to \$78 million in assistance to ensure health and safety of food processing workers
- Developing and distributing "Best Management Practices" to prevent on-farm COVID-19 infection
- Agri-Stability interim payments from 50 per cent to 75 per cent and extending the enrolment deadline
- Additional \$5 billion in loans available through Farm Credit Canada





## Business Risk Management

The COVID-19 pandemic underscores yet again the many insufficiencies of Canada's suite of agriculture Business Risk Management (BRM) programs. NCFA research and engagement with other national agriculture organizations resulted in a set of reforms to current programs that has industry-wide support and was placed on the table at the November 2020 Federal-Provincial-Territorial (FPT) Ministers' Meeting:

- Removing the \$3 million cap on Agri-Stability Payments;
- Ending the practice of "reference margin limiting" in calculating Agri-Stability Payments; and
- Increasing the Agri-Stability payout rate from 70 per cent to 85 per cent.

While the FPT meetings did not result in agreement on moving forward, the federal government is supportive of the measures, the provinces are still considering, and NCFA will keep pressing.

## Strategic Plan

In 2020, NCFA's five-year Strategic Plan was set to expire and a comprehensive review of the plan showed completion of many of its goals, objectives, and initiatives. The NCFA Board of Directors, staff representatives, and consultants worked to draft a new five-year plan where the existing strategic pillars were adjusted slightly and a new set of goals and initiatives were developed. NCFA will continue to maintain its core focus on sustainable growth and prosperity, improved competitiveness, and industry leadership and collaboration.

## Government Relations

After the COVID-19 crisis landed in early 2020, NCFA moved to re-set our annual Ottawa Engagement Strategy and ensure continued outreach and connection with our key MP champions and Ministers, as well as various Parliamentary Secretaries, political aides and advisors, public servants, and government regulators:

- Dozens of virtual meetings via Zoom with MPs and other officials throughout 2020
- Annual Lobby week in October with over 30 MPs and officials
- Several MP feedlot tours with MPs held in BC, Alberta, and Quebec
- Two appearances before the House Standing Committee on Agriculture
- Appearance before the House Standing Committee on Trade
- Written submission to the House Standing Committee on Finance for Budget 2021



Exterior view of feedlot in Ontario.

- Numerous submissions to Agriculture and Agri-Food Canada, ESDC, Global Affairs, and CFIA
- Design and deliver new pilot projects with CFIA on E-certification and cattle export convoys

## Industry Development and Collaboration

NCFA has always believed that industry collaboration—multiple voices speaking with consistent, coherent, and complimentary messaging—strengthens Canada's beef industry by increasing leverage with government and encouraging action on our critical concerns and priorities. Throughout 2020, NCFA worked with our industry partners on numerous working groups across a wide range of issues including government-industry working groups on:

- Animal Health Canada
- on Animal Transport Regulations
- Negligible Risk Status (application to OIE)
- SRM
- FMD Preparedness

NCFA's partnerships cut a wide swath and includes national beef organizations and agencies e.g., Canadian Cattlemen's Association, Canada Beef, Livestock Markets Association of Canada, other livestock and meat organizations e.g., Canadian Pork Council, Canadian Meat Council, and a multitude of government agencies e.g., Canadian Food Inspection Agency, Animal Industry Division at Agriculture and Agri-Food Canada. Thank you to all of our many industry partners.