

## EXECUTIVE VICE PRESIDENT'S MESSAGE

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**Dennis Laycraft**  
Executive Vice President,  
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2020 will certainly go down as one for the ages. It was a year that started with great promise. Export demand for Canadian beef was strong, driven by preferential access as a result of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and the successful conclusion of the Canada United States Mexico trade negotiations that preserved the benefits of NAFTA. African Swine Fever continued to wreak havoc across much of Asia, resulting in a huge decline in pork production. Overall, the world economy was expected to support modest growth. All together, the supply demand conditions set the stage for good prices.

Then...reports started to emerge out of China about a serious human disease outbreak in Wuhan called COVID-19. The first case diagnosed in Canada was confirmed on January 25 involving a man who had travelled to Wuhan. By March, it was clear that efforts to confine the outbreak were not working and on March 11, COVID-19 was declared a global pandemic. We were holding our Annual General Meeting in Ottawa at the time when the global announcement was made.

Our industry took action quickly. On March 14, we took the first steps to implement our industry's crisis management strategy that was developed as part of the National Beef Strategy. On March 15, we implemented work from home procedures, suspended travel, and began reaching out to the national groups that are part of the National Beef Strategy. And on March 16, the first leaders meeting of the national beef cattle organizations convened.

CCA continued hosting regular and frequent leader calls involving the senior staff of the national organizations, officer calls, board calls, communication meetings, policy discussions and commenced regular industry updates.

Our primary focus was to ensure business continuity by keeping borders open, maintaining inspection services and processing capacity, and having agriculture and the food distribution system deemed as critical infrastructure and an essential service. We were able to coordinate advice to producers to manage sales and transportation needs. We also put in place procedures to identify any critical supply shortages to ensure they were addressed quickly.

As an industry we pulled together quickly and worked as closely as I have ever seen. I want to thank our industry partners particularly the Livestock Markets Association for their fast response that ensured





we were able to deal with the new measures that varied province by province and to continue sales and maintain price discovery.

Our virtual town hall meetings were well attended and provided a new way to keep producers as well informed as we possibly could. I expect that we will make regular use of virtual townhalls long into the future.

I want to recognize the entire CCA staff team who adapted quickly to the new environment and stepped up to engage on anything and everything that needed to be done while still advancing their work priorities that existed prior to the pandemic.

### COVID-19 Resiliency

There are many things that contribute to resiliency. Preparation is clearly one of them. You must be able to engage quickly with a structured response that can assess and address multiple issues and problems in order to find solutions or tools to manage through a crisis.

We learned many things from the BSE crisis in 2003 that were built into our crisis plan – the plan you hope you don't need to use. You must communicate, communicate, communicate. Producers need timely information. You must have timely information and be able to advocate effectively to ensure collaboration between industry and government(s) on appropriate responses.

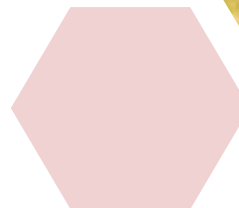
Crises will run their course and as Winston Churchill once was quoted “never let a good crisis go to waste”. It took time to emerge from the BSE crisis and the great recession of 2008. When we did, we came together as an industry and built the National Beef Strategy that strengthened our capabilities and resources to undertake the crisis response work that was needed. The plan created the National Beef Advisors group that transformed into the leaders’ group that met every Monday. It recognized the critical relationship with our provincial members and their role in communicating with producers and with provincial governments.

In any crisis, we must maintain as much business continuity as possible and collaborate on short-, medium-, and long-term solutions. In a situation like we are going through where science is evolving every week, we needed and had the tools to assess, innovate, inform, and implement.

As our understanding of COVID-19 grew, we continued to focus our efforts on every possible change that may help reduce future risk, maintain our capacity and to keep everyone safe. I recently read a report that estimated meat processors in North America have invested over \$1.5 billion in measures to protect their employees.

On the research side, our Beef Cattle Research Council has stepped forward to quickly fund a number of projects that include air flow risks in plants, development of rapid tests, remote inspection options and development of the Eastern Price Index.

On the distribution side, we saw unprecedented changes due to lock downs that restricted or closed “in restaurant” service. Curb side pick up, take out, home delivery, online shopping, buying locally and home



meal preparation all emerged as major market drivers. Canada Beef and our industry partners quickly stepped up to work with distributors and ensured beef was featured prominently during this time, and consumers had the information and the purchasing options that they needed. We look forward to food service returning to normal but expect that some of these changes are here to stay and we need to embrace them.

One challenge that re-emerged (from our previous crisis) is the tendency of government is to try and make our problem fit their solution. We saw this on the business risk management side. A once in a hundred-year global pandemic that shuts down the entire world does not fit into programs that are designed to deal with normal market risks. Hopefully as we come out of this crisis, there will be greater recognition about the need to mitigate massive premium spikes in our insurance programs, to have a set aside program available when a disaster is declared, and to ensure our young producers have effective risk management tools so we don't lose a generation like we did due to BSE.

Hopefully, life after COVID-19 will come later this year. We have worked hard to ensure we are ready for the opportunities that will return or will emerge as we return to some degree of normality.

You will read more in the rest of the reports about the work CCA is undertaking on many issues. We have worked hard to ensure we maintained progress on many fronts to ensure the cattle industry can recover as fully as possible and to ensure the Canada beef industry can lead the world in sustainable beef production.

As a final note, COVID-19 has reminded the world how important food production and agriculture are to everyone. We have a great opportunity to continue this conversation.

As always, it is a privilege to work with such great people and for the cattle industry.

Dennis Laycraft

