

PRESIDENT'S MESSAGE

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Bob Lowe
President, Canadian
Cattlemen's Association

I am honoured to present my first message as President of the Canadian Cattlemen's Association (CCA). As I look back on 2020, a year no one will ever forget, it seems fitting to reflect on the challenges and opportunities coming out of the Canadian beef industry's experience navigating the uncertainty created by the COVID-19 pandemic. I am extremely proud of how the CCA and our industry took a collaborative approach to our response efforts and our industry quickly mobilized.

We immediately initiated several cross-organizational teams, which included industry leaders, provincial cattle organizations, policy professionals, industry stakeholders, the scientific community, and media.

Our focus was on maintaining business continuity – keeping our borders open to trade, ensuring inspection services remained available, ensuring clear and timely communication, and sharing best practices based on public health recommendations to support important industry activities.

CCA also developed and submitted to the Government of Canada recommendations to support beef producers during the pandemic. Following the Government's announcement of an initial investment in the agriculture sector in May, CCA continued to meet with Parliamentarians regarding the impacts of COVID-19. Our recommendations and discussions focused on changes to business risk management programs (BRM) programs, set-aside programs for the backlog of fed cattle, investment in resiliency within the packing industry, as well as economic, specifically related to international trade.

The enhancements made by the Hon. Marie-Claude Bibeau were directly aligned with the requests made by CCA.

In 2020 we welcomed the Canadian Beef Breeds Council as a new operating division. The inclusion of the seedstock sector will strengthen our collective efforts and create opportunities that will benefit the entire beef industry for years to come.

In addition to pandemic related efforts, 2020 was an active year for CCA. Significant progress was accomplished on key files.





Bob Lowe pictured with Minister Bibeau at left.

Here are a few highlights:

Trade

Our trade priorities continue to focus on maintaining and growing our beef exports. Implementation of new trade agreements over the last number of years have allowed Canadian beef producers access to new markets and opportunities. This year was anticipated to be positive thanks to the recently negotiated access through various trade agreements and regained technical access that resulted in 2019 Canadian beef exports increasing by just under 20 per cent in value over 2018. However, COVID-19 brought forward unforeseen challenges that tested the capacity of Canadian beef processors and inevitably impacted our ability to supply our export markets.

Here at home our processing plants especially were faced with unprecedented challenges and adapted as quickly as possible to implement new practices and innovations to mitigate the spread of the virus while maintaining worker health and safety. The numerous measures taken helped to maintain this essential service and to provide a stable supply of food to Canadians and customers around the world. Despite these extraordinary efforts, trade did suffer in the first half of the year with beef exports falling 8.3 per cent in value from 2019 (as of May 2020) however have largely recovered by the end of October when we were only one per cent below 2019 export values.

CCA continues to strongly encourage the continued expansion of free trade, removal of technical trade barriers, and the optimization of current agreements. CCA is pleased that our access into world markets has improved in recent years thanks to new trade agreements such as the Canada-United States (U.S.)-Mexico Agreement (CUSMA), the Comprehensive Economic and Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Of particular importance this year is advancing reciprocal access through a Canada-United Kingdom (U.K.) trade relationship. In December 2020, the Government of Canada announced the continuity agreement to transition between CETA and a future Canada-U.K. free trade agreement (FTA). CCA recognized the Government of Canada's efforts to maintain uninterrupted market access into the United Kingdom (U.K.) by pursuing an interim agreement however, CCA's highest priority is on achieving a long-term FTA with the U.K. that resolves trade barriers that continue to exist within the current CETA agreement. CCA was 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.

Humane Transportation Regulations for Livestock

Changes to livestock transportation regulations brought in by the Government of Canada remains a key issue for Canadian beef cattle producers. The proposed changes saw feed, water and rest intervals for cattle drop from 48 hours to 36 hours and rest stop durations increase from five to eight hours. Additionally, there are a number of new recordkeeping components and definition updates for unfit and compromised cattle. The new regulations for the humane transport of livestock came into force on February 20, 2020, with a two-year transition period on the enforcement of feed, water and rest interval provisions for the cattle sector, which will allow time for education, awareness building, and the development of rest stop infrastructure.

CCA continues to work with government to develop solutions to outstanding challenges with the regulations and ensure changes made will contribute to demonstrable improvements in cattle welfare and not negatively impact the beef cattle transportation success rate of over 99 per cent.

The CFIA has informed industry that they will exercise flexibility in cases where industry is unable to meet the record-keeping and transfer of care documents requirements under Part XII of the regulations during the COVID-19 pandemic.

OIE BSE Negligible Risk Status

In partnership with CFIA, CCA is co-chairing a working group for the development of Canada's submission for BSE Negligible Risk Status to the World Organisation for Animal Health (OIE). All target milestones were achieved, and a strong application was submitted in July 2020 for consideration by OIE in the spring of 2021. Achieving BSE Negligible Risk Status in Canada will have a positive impact on market access and sets the stage for a review of Canada's specific risk material (SRM) removal protocols and the opportunity to become more competitive with our key trading partners, a similar working group for this effort is already underway in cooperation with CFIA.

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.





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Given known catastrophic devastation risk of an FMD outbreak in Canada (estimated at over \$50 billion to the GDP), CCA has lobbied the Government of Canada to establish a Canadian FMD Bank. Formal discussions between CCA, CFIA, AAFC and other affected species groups were launched in the fall of 2020 and work 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 deemed highest risk to Canada. The projected annual cost for a fully sustained FMD Vaccine Bank is \$3.0M CAD.

Food Policy

In recent years, we have seen greater global and national attention on food policy. The consumer, and therefore the policy maker, is increasingly interested in where their food comes from and CCA has participated in these important discussions. We have been involved in the Government’s “Healthy Eating Strategy”, the “National Food Policy” and most recently, the “Simulated Meat Labelling Guidelines”. Recognizing that the focus on food, health and the environment will continue, CCA created the new Food Policy Committee in 2019. This Committee will lead on policies like alternative proteins, front-of-pack labeling, food waste, and more.

Environment

The challenges of COVID-19 have had its impact 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. We are also focused on communicating the positive environmental impact beef production plays on soil health, carbon sequestration, and the maintaining of biodiversity to our grasslands across Canada. We have a wonderful story to tell, and we are making significant headway on this with consumers and policy makers.

CCA continues to engage with government concerning the Fisheries Act. The Act received Royal Assent in June 2019 prior to the regulations being developed. The Department of Fisheries (DFO) pledged to consult with stakeholders on the development of standards, codes of practice, and prescribed works regulations. DFO has developed six interim codes of practice, and we have provided initial feedback on these codes before they are to be finalized.

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. Also, CCA encourages the development of a national framework for Ecological Goods and Services.

While we don’t know exactly what the next year will hold, I can whole heartedly promise you this. The CCA will continue its dedicated work on behalf of Canada’s 55,000 beef farms and ranches to realize the vision of a profitable Canadian beef industry with high-quality beef products recognized as the most outstanding by customers at home and around the world. And hopefully, in the near future, we will have the opportunity to meet again face-to-face for a delicious meal and great conversation at our favourite steak house.

Sincerely,

Bob Lowe



Bob on the ranch

