

Canadian Cattlemen's Association Update



A proposal for country of origin labelling in the U.S. is once again posing a threat to the Canadian beef industry. Country of origin labelling has been tacked on to the draft U.S.

Farm Bill as a miscellaneous resolution. The Farm Bill is a federal support law that establishes new agriculture policy for the U.S. for the next several years. The amendment calls for mandatory country of origin labelling on beef, lamb, pork, fish, agricultural commodities and peanuts. If passed, beef from cattle not born, raised and slaughtered in the U.S. would have to be labelled with the country of its origin.

The Congressional Budget Office has estimated that the cost to the U.S. retail industry to implement mandatory country of origin labelling would exceed \$1 Billion annually. Retailers would likely reject imported product as being too much trouble. This has the potential to severely impact Canadian beef producers. Currently just over half our beef and cattle production is exported, and close to 86% of our total exports go to the U.S. Debate on the Farm Bill was recessed over Christmas and resumed at the end of January. CCA is working hard to have this poorly thought out amendment removed. We've once again joined with the Canadian Embassy in Washington, U.S. retailers and meat packers to lobby against this proposal.

Directors Profile

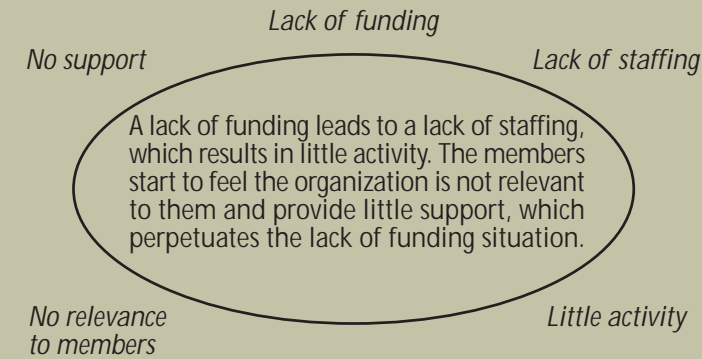
To following are current directors of the Nova Scotia Cattlemen's Association:

- *Charles MacKenzie (President) - Antigonish 863-5602
- *Frank Foster (Past-President) - Cumberland 661-0506
- *Mike Horsnell (Vice-President) - Western Annapolis Valley 847-3309
- *Boyd Crouse (Executive Member at Large) - South Shore 634-3468
- Phil Franey - Western Annapolis Valley
- Larry Weatherby - Central
- Kevin MacNeil - Cape Breton/Richmond
- Erwin Andres - Hants
- Larry Ward - Central
- Ron Wells - Cumberland
- Arnold LeBlanc - Cumberland
- David Oulton - Hants
- Percy McQuinn - South West Nova
- George Smith - Pictou
- Tim Tomsen - Pictou
- Tony Zeuthoff (Dairy Representative)

* Members of the Executive Committee

A Strategic Plan for Action (continued from page 1)

Integration of provincial and national check-off systems as well as identification of additional funding sources is necessary.



Communications and Education

The NSCA should have a readily identifiable membership base that is well informed about industry issues. The association should be playing an educational and communications role in bringing information to its members. Additionally, there is a need for improved communications among producer groups in NS, NB and PEI. Other external targets for information include government, consumer and agricultural media. The Strategic Action Plan suggests a variety of tactics to address these needs including development of regular media releases, support for Ag Awareness efforts, development of positive relationships with targets including government decision makers, agricultural and consumer media. Publication of a quarterly newsletter will bring information directly to members, and a potential new website will connect members to production information from world experts.

Market Development

There is general agreement that an inadequate share of revenue has been returning to beef producers in this region. Ideally, producers would be involved in a true alliance with a packer and retailer committed to sharing revenue equitably. NSCA will work towards the development of such a model through participation in the existing Co-op Atlantic branded program, as well as through investigation of other potential market development opportunities in this region.

Copies of the full Strategic Action Plan are available by request from the NSCA office.

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N.S.C.A. Action

Nova Scotia Cattlemen's Association

FEBRUARY ISSUE 2002

Letter of Welcome

Welcome to the first issue of N.S.C.Action, the newsletter of the Nova Scotia Cattlemen's Association. N.S.C.Action will be published quarterly for all members of the N.S.C.A. and our industry partners. Within its pages you will find information on the projects and activities of the association, as well as updates from our affiliated national organizations. The N.S.C.A. has embarked on an ambitious action plan to strengthen both the organization and the beef industry it represents. Part of that plan is a commitment to improve communications within our industry. We believe that N.S.C.Action will be an important step in that effort. Please let us know what you think of this first issue – with your input we will continue to improve the newsletter to meet the needs of our members.

Charles MacKenzie
President, N.S.C.A.

Lobbying Government on your Behalf

Representatives of the NSCA have delivered presentations to a variety of government forums during the past few months. These include presentations to the Prime Minister's Caucus Task Force on the Future of Agriculture, The Premier of Nova Scotia along with the Ministers of Agriculture, Municipal Affairs and Environment, and the Senate Agriculture and Forestry Committee. In all cases, NSCA put forth the needs of the industry in this province and outlined how government can provide needed support. Three particular areas of focus were identified:

Poor market returns and the need for market development initiatives, Drought Relief and other crises management issues, and the decline of the family beef farm, with the resulting loss of jobs and economic spin-offs to the N.S. economy. NSCA continues to put these issues in front of political decision makers through one-on-one meetings with government officials (both elected and un-elected) on a regular basis to ensure the viewpoint of the beef producers of this province is heard.

A Strategic Plan for Action

In July 2001 the board of the NSCA initiated a strategic planning process designed to focus the limited resources of the organization in the areas most likely to create positive impact. Three issues were identified as priorities for action during the next 18 months.

Organizational Structure and Accountability

Inadequate and unstable funding has severely limited the level of staffing the NSCA has been able to access in recent years. The organization needs an adequate and stable funding source in order to be able to work on behalf of the industry. It is necessary to have staff with the ability to work on internal and external communications, policy analysis and recommendations, market development opportunities, supervision of research requirements and funding management (including check-off issues).

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FEBRUARY ISSUE 2002

Beef Farmers Share of the Retail Dollar

The NSCA commissioned a study on "Retail Share" in the winter of 2001. The objective of the study was to determine the historical share of the retail value of beef for a feedlot in the U.S.A., Central Canada and Atlantic Canada over time. This data was interpreted to determine the magnitude and direction of change and relative differences between here and the rest of North America. This brief article will discuss overall findings. More detailed analysis will follow in subsequent articles.

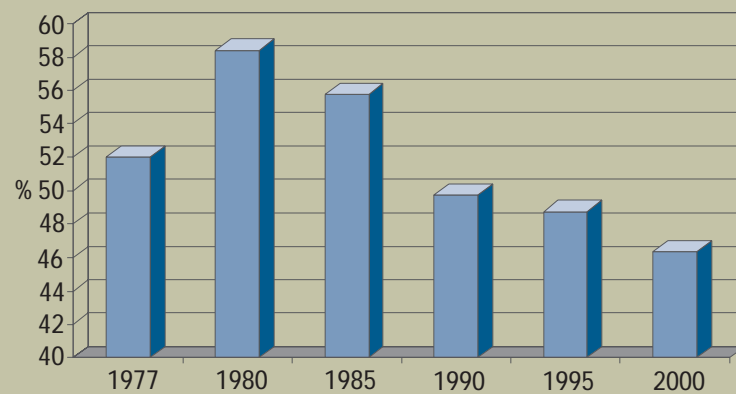
The retail share of beef has been declining over the past 23 years in the U.S., Canada and Atlantic Region. The magnitude of decline has been very similar across all three regions. Current share of retail is approximately 46-52% for all three regions. Wholesale and farm values on a retail basis have experienced very little change since 1979. Retail value, however, has increased steadily since 1979 for all three regions. The total spread in prices (farm to retail) has also increased steadily as has the wholesale to retail spread. Increasing spreads (or greater difference between two prices) are indicative of decreasing share of retail value.

Packer margins are extremely tight and rely most years on by-product or 5th quarter values. Without by-products, packers are not able in most years to cover killing and fabrication costs. We cannot necessarily infer from increasing retail to farm spreads that retailers are profitable. However, there is little doubt that retailers have been able to capture an increasing percentage of the value of a retail pound of beef.

This study is available upon request at the NSCA office in Truro.

Sean Firth, Ruminant Specialist, Agricultural Development Institute.

Atlantic Canada - Farmers share per retail pound



Atlantic Branded Beef Group Established

Since the launch of the Atlantic Tender Beef Classic brand the Maritime Beef Development & Marketing Group has worked to ensure that the product meets the needs of Co-op Atlantic's customers. It is now time to enhance the ATBC brand, bringing it to the next level as a premier product produced in Atlantic Canada, and to ensure that the success of the brand is shared throughout the production chain. In order to facilitate this process a brand management team has been instituted called Atlantic Branded Beef Management Inc.



Joan Perrin

The new Atlantic Branded Beef Management team has six members including: P.E.I. Cattlemen's Association representative, Dean Baglole; N.S. Cattlemen's Association representative, Mary Elizabeth Stewart; N.B. Cattle Producers' Association representative, Carl Crandlemire; two representatives from Co-op Atlantic – one each from the Agricultural and Retail Divisions, Norma Babineau and Eric Baxter; and Maritime Beef Development & Marketing Group representative, Shane Murphy.

To deliver the needed high quality product under the Atlantic Tender Beef Classic brand this group will be charged with responsibility to:

- Communicate with beef producers to inform them of the latest developments with the brand.
- Develop quality control standards including production protocols for farmer, processor and retailer.
- Increase the supply of beef product which meets the brand specifications by a variety of activities including helping producers increase the percentage of qualifying cattle, developing alternative financing options, finding ways to further integrate the cow-calf sector in the program, and exploring development of feedlot contracts to ensure enrolled cattle are delivered into the program.

In order to reach these objectives the Atlantic Branded Beef Management Inc. has hired a Brand Manager to work at all levels of the program from producer to processor to retailer. The ABBM board is please to announce that Joan Perrin, recently National Producer Communications Manager with the Beef Information Centre has been hired to manage the ATBC brand. Joan is originally from Nova Scotia, has worked in Saskatchewan for the past 15 years and will work from her new home in P.E.I. bringing her wealth of national beef industry knowledge and contacts east, for the benefit of our Atlantic producers!

Economic Modelling Project

The Nova Scotia Cattlemen's Association recently commissioned a study to document the economic effects of the beef industry and to develop models for critical farm and debt servicing ability.

The study is broken into two distinct sections. The first section highlights the economic impact of the beef industry on the larger economy of the province. The second section proposes beef farm production models.

This study examines a variety of scenarios including the economic impact of the actual contraction of the beef industry in Nova Scotia that we have experienced since 1997, and the theoretical expansion of the industry that could be achieved if we doubled the size of the current cow herd.

In addition, beef farm production models including cow-calf to wean, cow-calf to background, cow-calf to finish and wean to finish have been analyzed.

Over the next couple of months the NSCA will be analyzing the information presented in this study and disseminating that information to beef producers throughout Nova Scotia. Future articles in the *N.S.C.Action* newsletter will look at the specifics of the Economic Modeling Project in greater detail.

The full study is available from the NSCA office.

*Sean Firth
Ruminant Specialist,
Agricultural
Development
Institute*

Brochures at retail go a long way in educating consumers

Today's consumer can be overwhelmed by the choices in their supermarket self-serve meat case. Matching the right cut of meat with the proper cooking method takes know-how.



The Beef Information Centre's (B.I.C.'s) Point of Sale materials are key in reaching consumers with the information they need

in choosing and preparing beef. These materials are found in retail outlets – right in the meat case. No other B.I.C. activity has the direct reach to the consumer at the point of their meat purchase decision. Recently B.I.C.'s brochure "Beef Made Easy" was in stores throughout the province. The free booklet answers consumers' questions on choosing beef, and how to prepare steaks and roasts. It also explains aging, marbling, grading and certification of beef. Over 500 stores in the Atlantic Provinces were contacted about the brochure.

At this time, retailers are displaying the booklet: "Healthy Eating, Check out the goodness of beef". January is traditionally the time of year, when consumers are making resolutions about their eating habits. This booklet is designed for them; showing them simple ways to prepare nutritional, lower fat meals

Brochures and booklets available to the consumer at the point of sale – one way the Beef Information Centre ensures our messages about preparing and choosing beef are reaching Canadian consumers.

The Beef Information Centre is a division of the Canadian Cattlemen's Association. B.I.C.'s mandate is to increase the consumer demand for beef.

*Janet Bryson
Communications Manager,
Beef Information Centre Atlantic Region*