

## **Executive Summary**

The *Nova Scotia Beef Industry Strategy 2009-2014* is a strategic plan for the industry. It should be recognized that it is strategic thinking and acting that are important, not strategic planning itself. Strategic planning is not an end in itself; a strategic planning process is only worthwhile if it assists an organization or industry in thinking and acting strategically to achieve profitability. Strategic planning is a disciplined effort to produce decisions and actions that shape and guide what an industry is, what it does, and why it does it; a process which requires broad information gathering, an exploration of alternatives, and places an emphasis on the future implications of present decisions. This strategic plan is aimed at returning the Nova Scotia beef industry to profitability – a process that will take time and commitment by producers, government, and others involved in the industry.

The strategic planning process consisted of in-depth industry consultation through a series of targeted interviews and meetings throughout the province. The focus of those efforts was to try and make sure that producers and others close to the industry understand the purpose of the strategic plan and have opportunities to take part in the process by attending meetings and giving their input. The *Nova Scotia Beef Industry Strategy 2009-2014* is a result of the input received and, while it may not address every producer's issues, it reflects what was heard in the interviews and meetings.

Input from those interviewed and who attended the meetings identified three strategic directions that will return the beef industry to profitability over time.

- 1) **Integrated production and marketing:** Simply put, everyone involved in the beef sector has to begin working together toward an industry that will be profitable to all those involved – in particular the farmer. Our industry is too small for us to try to maintain a viable beef sector without cooperation among producers, government, wholesalers and retailers to ensure that all are profitable.

Producers need to work with each other to develop systems that allow them to provide what the market demands; producers need to work with cattle buyers, wholesalers and retailers to find out what the consumer wants; cattle buyers, wholesalers and retailers need to work with farmers to ensure that they understand what will sell at a profit for everyone; government needs to support efforts to revitalize our sector. The time has passed when farmers can ignore the demands of consumers and all those involved in the food chain have to cooperate to keep farming viable.

- 2) **A range of differentiated beef products:** We have traditionally produced beef as a “commodity” – something that is mixed with beef that comes from anywhere else, meaning that Nova Scotia farmers receive the same relative farm-gate price as beef imported from the United States or Argentina. Commodity beef does not draw a price premium because there is nothing special about it – producers compete on price alone. We now face global competition and Nova Scotia's

government does not have the ability to control imports to Canada or Nova Scotia. Buy local programs may increase demand, but do not guarantee the farmer a higher price than is paid for any other commodity. Nova Scotia's beef sector has to make its beef and calves special in some way – differentiated – so that they will draw premium prices.

- 3) **Sustainable and competitive industry resources:** Our industry used to have the resources (e.g.: people, funding, market system) needed to sustain our sector and compete in the markets of the day. Over the years we have lost some resources and others have not changed in response to global impacts on our markets and cost of production. We need to redevelop the resources necessary to allow beef farmers to sell their products at a profit. Some of these resources are needed on-farm (e.g.: genetics), as farm support (e.g.: extension, funding) and in the marketing system (e.g.: new markets for new products, market information). These resources have to be developed by all those involved in the beef food chain including farmers, cattle buyers, wholesalers, retailers and government.

The strategic plan identifies how we can begin to revitalize our industry by developing the three directions identified. The first thing is to develop a structure to ensure that efforts are directed toward industry goals. The structure consists of four parts.

- 1) **The “Investors” Partnership** of the Nova Scotia Cattle Producers, Nova Scotia Department of Agriculture and others, such as Agriculture Canada or other participants in the beef value chain. These partners will work to ensure that the human and financial resources are available to meet the industry's objectives and will provide overall leadership for industry initiatives. Resources developed have to ensure a short and long-term future for beef and calf production in Nova Scotia.
- 2) **The NS Beef Industry Development Council** (the Council) will manage implementation of the strategy by ensuring that projects are relevant and effective, working with other value chain stakeholders, and managing resources to ensure the process is successful. The Council will also monitor the effectiveness of various projects so that those that have the greatest positive impact on industry profitability and viability are rolled out to the industry at large.
- 3) **Project Teams** will drive the projects that will renew our industry. Projects will be proposed by farmers and groups of farmers who will form teams to design and manage project development. Projects that fit within the three strategic directions will be supported by the Council in securing funding and assisting with project management support. The project teams are critical to ensuring that industry development through pilot projects benefits cattle producers.
- 4) A **Director of Strategy Implementation** will be hired to conduct the daily operations of the Council. The Director will work closely with the Project Teams to provide support and advice on preparing proposals and managing projects. The Director will be a resource to the other three parts of the organizational structure.

The strategic planning process identified five potential projects that could be started immediately pending additional proposals from new Project Teams. The proposed projects address one or more of the strategic industry directions. The proposed projects

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are only a few of those that will benefit the cattle sector and the four part structure established is designed to help producers with good ideas to develop additional project proposals. The five projects identified include:

- 1) Develop one or more value chains based on a specific set of products that will create profitable opportunities for producers and other value-chain partners based on premium prices for high-value products. The project will identify products that can be produced by Nova Scotia cattle producers and marketed for a premium price.
- 2) Modernize on-farm, primary production through cooperative purchase and use of equipment, other assets and resources, and information so that farmers gain the economies of scale from grouping together to maximize purchasing power and using the resources at a higher capacity level. This ensures that the cost per unit of production is lower to individual farmers, thus increasing profit. This project area also includes adopting “green” production systems and investigating product certification to use as a marketing tool to generate a higher market price for beef products and calves. Another identified project area under this section is the development of feedlot pilot projects to develop and demonstrate various approaches to production and marketing cooperation to achieve high returns.
- 3) Promote producers’ market opportunities through marketing education for primary producers supported by economic analysis of opportunities for differentiated Nova Scotia beef products.
- 4) Set research and extension priorities so that Nova Scotia cattle producers will have the best information that can be developed to make their business decisions and so that extension support is available to help them turn those decisions into profitable opportunities.
- 5) Strengthen the *Nova Scotia Cattle Producers* so that it can effectively represent Nova Scotia’s cattle industry and support industry development over the long term. This proposed project consists of a full review of the organization’s strategic plan, operations and organizational design.

There are many other projects that Nova Scotia cattle producers will identify to improve theirs and the industry’s profitability and long-term viability. The *Nova Scotia Beef Industry Strategy 2009-2014* creates the opportunity and structure to begin developing those ideas and turning them into profitable businesses.