



# **BUILDING RESILIENCY:**

Seizing opportunities during uncertain times

2020 ANNUAL REPORT



## 2020 BOARD OF DIRECTORS

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## PRESIDENT'S MESSAGE

“

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.

”



**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.







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.

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*



## EXECUTIVE VICE PRESIDENT'S MESSAGE

“  
As an industry  
we pulled together  
quickly and worked  
as closely as I have  
ever seen.  
”



**Dennis Laycraft**  
Executive Vice President,  
Canadian Cattlemen's Association

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 lockdowns 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



## Beef Cattle Research Council (BCRC)

The Beef Cattle Research Council (BCRC) is Canada's industry-led funding agency for beef, cattle and forage research. Its mandate is to determine research and development priorities for the Canadian beef cattle industry and to administer the Canadian Beef Cattle Check-Off funds allocated to research. The BCRC is led by a 14-member Council, comprised of 13 producers and one member at large, who proportionally represent each province's research allocation of the Canadian Beef Cattle Check-Off.



Dr. Kim Ominksi (University of Manitoba) is co-leading a research project with Dr. Tim McAllister (AAFC Lethbridge) to examine the impacts on productivity, environmental sustainability, and economic viability associated with the removal of productivity-enhancing implants, beta-agonists and ionophores. The in-depth analyses to understand whether market premiums associated with domestic and international beef market opportunities for beef raised without, and the environmental and economic drawbacks of removing these performance enhancing technologies, is expected to be complete in 2023.

The BCRC is completing its third year of a ten-year plan presented with the increase in Canadian Beef Cattle Check-off in 2018/19. The allocation of check-off funding to beef research increased to be in line with the National Strategy recommendations - acknowledging historic under funding of research and the need to address many significant priorities.

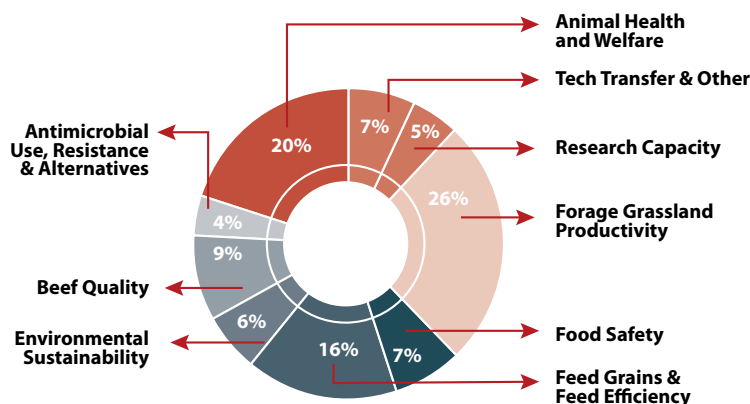
BCRC continues to operate within a 10-year plan in an effort to manage multi-year research funding contracts (three to 10 years in length). This plan is built on the assumption that provincial allocations of the national check-off to research will remain unchanged moving forward.

### Impacts of COVID-19 on BCRC Activities

Since March 2020, the BCRC has been working closely with industry and government to assess the impacts of the COVID-19 pandemic on research at facilities across the country. The impacts vary greatly across the provinces and depend on factors including project requirements, as well as local pandemic situations. Most of the ongoing research projects continued with minimal interruption. Some of the projects which were scheduled to start as early as April 2020 were delayed, however all projects are scheduled to continue. The second wave of the pandemic during the fall could result in further delays although the overall impact is undetermined at time of writing. BCRC continues to work with its funding partners, including Agriculture and Agri-Food Canada (AAFC) to evaluate if there will be any program and/or budget implications for 2020/21 or 2021/22, but to date the impact has been minimal on the research program.

Specific to the pandemic, BCRC funded COVID-19 related research initiatives including investigating technology to support the remote delivery of inspection services, research to determine the risk of COVID-19 infection due to changing airflows in processing facilities as COVID-19

### 5-Year Funding Portfolio





physical barriers are put in place, and economic analysis to support the development of eastern cattle price insurance indices. BCRC extension programming has continued to operate without interruption.

Overall, the impact of COVID-19 on the BCRC budget and operations has been manageable, given the flexibility in allocating industry funding across years, the existing online platforms for resource and program management and the ability of BCRC staff to work remotely as required. Larger than expected funding deferrals did occur in 2019/20 due to delayed project start-ups. Most of these projects are set to start up spring of 2021.

### National Beef Strategy Renewed

The BCRC is a key partner in renewing and achieving the goals of Canada's five-year National Beef Strategy. Research and/or technology transfer outcomes are relevant under each of the four pillars of the 2020-2024 Strategy; productivity, competitiveness, beef demand and connectivity.

Building on the five-year goals identified in the National Beef Strategy, industry identified a suite of ambitious ten-year goals to address continually improving practices, reducing carbon footprint and enhancing natural environments. The ten-year goals address animal health and welfare, greenhouse gas and carbon sequestration, land use and biodiversity, water, beef quality and food safety, human health and safety, and technology. These goals will direct key BCRC programming and priorities through the next 5-year Research & Extension Strategy, which will be published in June 2021. Visit [beefstrategy.com](http://beefstrategy.com) for more information on the National Beef Strategy.

### Beef Science Cluster III in Year Three of Five

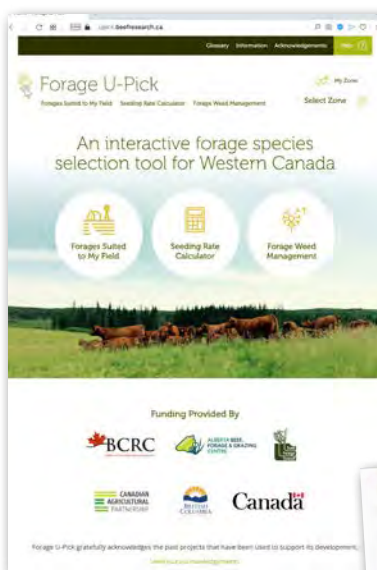
The Science Clusters are a partnership with AAFC that combines their strengths with the BCRC's to make joint investments in a variety of research programs with the greatest potential to advance the industry.

Projects funded under the current Beef Science Cluster III under the Canadian Agricultural Partnership (CAP) run from April 1, 2018 to March 31, 2023. The third Cluster is a \$21.7 million program, with AAFC contributing \$14.1 million and BCRC and industry partners contributing a total of \$7.6 million over the five years. There are 27 Cluster projects, including Science Coordination, managed by the BCRC. The multi-year research projects are all underway but not yet complete, however there are some preliminary findings. Relating to food safety, analyses of 750 STEC isolates collected from cattle and processing plants indicate that E. coli are not becoming more resistant to heat-based food safety interventions. Specific to animal health, preliminary data indicates that aside from body energy status, a rest stop did not benefit the welfare, health or performance of weaned, conditioned calves transported for 12 or 36 hours. Related to feed efficiency, findings have helped researchers better understand how bacteria use substrates such as pre and probiotics. A summary of each project is available on [BeefResearch.ca](http://BeefResearch.ca).

### Priority Research Projects Underway

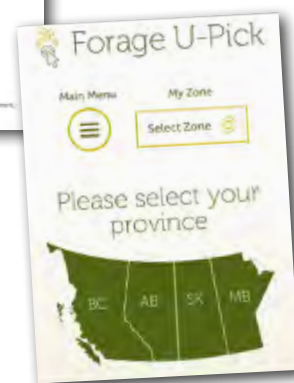
In addition to the projects within the third Science Cluster, BCRC funds research projects aimed at achieving specific goals of high priority to the beef industry. During 2020, 17 research projects funded by BCRC were initiated, and are scheduled to be complete in two to four years.

The research will focus on various practices, including: antimicrobial use and resistance in cow-calf herds, and whether anything will change after the switch to prescription only sales of medically important antimicrobials; characterization and optimization of visual pen checking criteria to improve BRD treatment outcomes in feedlot cattle; and forage potential of Hybrid Fall Rye (HR) in Alberta and Saskatchewan, to list a few. A study is also underway to estimate the economic impact of the Canadian cattle industry. A summary of each project is available on [BeefResearch.ca](http://BeefResearch.ca).



One of many resources for beef producers on the BCRC's website, Forage U-Pick is an interactive tool that provides information for forage selection, forage seeding rates, and weed management. Efforts are underway to expand the tool to include Eastern Canada.

Find it at  
[upick.beefresearch.ca](http://upick.beefresearch.ca)



### Proof of Concept Informs Research Investment

BCRC continues to allocate funding to short-term (six months to one year) proof of concept based (POC) research to help inform whether a concept is worth pursuing as a larger, more defined research investment in that area. Three POC projects are now complete. One explored whether using “good” bacteria could be used to prevent spoilage in meat, while another studied whether prebiotics and probiotics can help avoid respiratory disease and antimicrobial treatment. The third tested whether seeding high legume forages between the rows of corn plants would reduce the need for fertilizer and supplementation for cows grazing corn. Researchers were faced with a drought and yields fell short but it was shown that intercropping legumes and corn is possible. The BCRC has committed funding to a second project to test different agronomic practices (e.g. wider row spacing) and evaluate animal performance when grazing corn/legume pastures. In 2020, four additional POC projects were initiated.

### Knowledge and Technology Transfer (KTT)

The KTT project funded under the Cluster program focuses on enhancing technology transfer in the Canadian beef industry through various tools, including: articles and regular social media activity; fact sheets on various research priority areas; interactive decision-making tools; videos; articles for Canadian Cattlemen’s the beef magazine; webinars; blog posts; infographics and radio clips.

In addition to the KTT project funded under the Cluster, BCRC funds technology transfer and production economics initiatives managed by external groups including researchers as well as provincial and other beef organizations. One example is the Forage U-Pick tool.

The BCRC also initiates and funds collaborative extension projects of priority. One such project currently underway is the Eastern Extension Content Project, which is identifying information and data gaps in current BeefResearch.ca content and enhancing resources to reflect the production practices of eastern Canadian beef producers.

While it is difficult to measure or quantify the adoption of innovative knowledge, especially in the short term, BCRC’s technology transfer efforts appear to be successful due to consistently positive feedback from producers and other stakeholders, increasing website traffic, increasing subscribers and followers, and increasing levels of redistribution of BCRC resources by other publications and organizations. Visit [BeefResearch.ca](https://www.beefresearch.ca) to access or download the BCRC resources.

### Beef Mentorship Program Engages Applied Researchers

BCRC supports a Beef Researcher Mentorship Program to facilitate greater engagement of upcoming and new applied researchers with Canada’s beef industry. The 2020/21 mentees, mentored by beef producers and other industry experts, include: Dr. Alexander Koiter, an assistant professor in the Department of Geography and Environment at Brandon University; Dr. Christine Liu, a research scientist at the Lacombe, Alberta AAFC



**L-R: Dr. Francois Eudes, Agriculture and Agri-Food Canada (Lethbridge); Dr. Karen Beauchemin, 2020 Award Recipient; Dr. Tim McAllister, Agriculture and Agri-Food Canada (Lethbridge).**

Research Station; Dr. Jonathan Bennett, an assistant professor of plant ecology at the University of Saskatchewan; Dr. Marcos Cordeiro, who holds a PhD in Biosystems Engineering from the University of Manitoba; and Dr. Monika Gorzelak, a soil microbial ecologist and Dr. Trevor Coates, a specialist in air quality and greenhouse gases, both at the Lethbridge, Alberta AAFC Research and Development Centre in Lethbridge.

### Canadian Beef Industry Award for Outstanding Research and Innovation

Dr. Karen Beauchemin, a Principal Research Scientist of Ruminant Nutrition at AAFC’s Lethbridge Research and Development Centre, was awarded the 2020 Canadian Beef Industry Award for Outstanding Research and Innovation. She has assisted producers, researchers, veterinarians, nutritionists, and policymakers across Canada with numerous research projects on ruminant nutrition, such as feed additives and diet formulations, and industry-relevant issues, such as the environmental sustainability of beef cattle production while improving animal performance. Dr. Beauchemin’s work on emissions is a major asset to Canadian beef producers. Her work has not only led to a better understanding and quantification of greenhouse gas produced by cattle, but she continues to lead the way in researching new ways to reduce the overall impact.

### Advancement of the Verified Beef Production Plus Program

BCRC remained responsible for the delivery of the Verified Beef Production Plus (VBP+) program during 2020/21. For more information see the full VBP+ report.

To learn more about BCRC initiatives and take advantage of its extension resources, visit the BCRC website at [www.beefresearch.ca](https://www.beefresearch.ca).

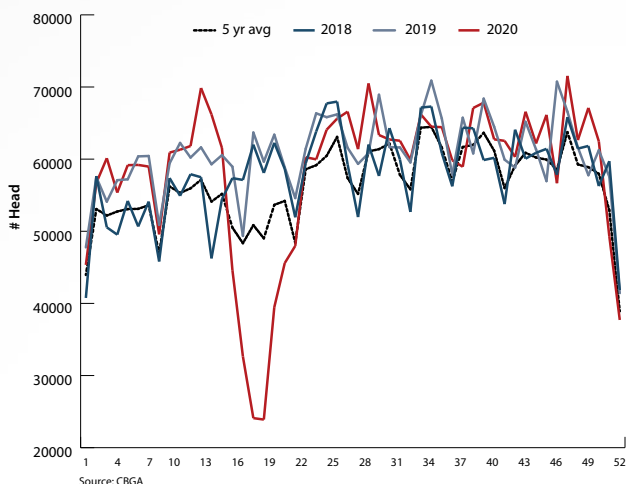
## Canfax

The cattle market started the year with a stronger market tone as strong domestic and international meat demand was expected to absorb the extra North American meat production in 2020. At the start of the year, all cattle types were trading higher than the previous year and feedlots were retuning back to profitability after a tougher couple of years in 2018 and 2019.

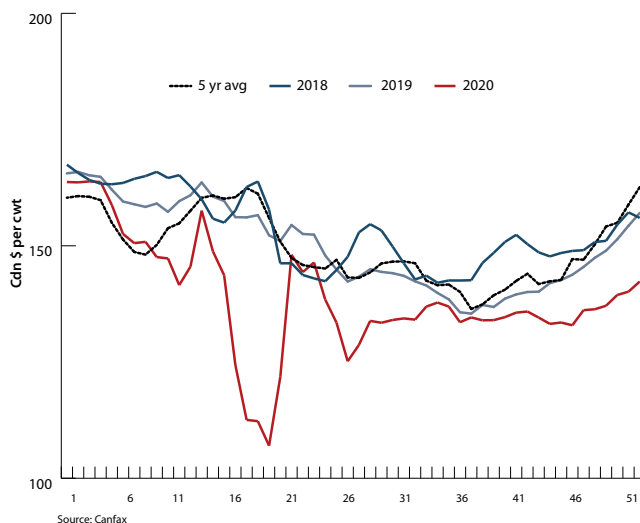
A strong market and higher prices were expected in 2020, but that quickly changed in March as concerns arose about the possible impact COVID-19 could have on the supply chain and beef demand. Prices started to deteriorate in March, and by April packing plants were facing operational slowdowns, or having complete shutdowns as a significant portion of their workforce was impacted by COVID-19. Impacts were felt across North America, but western Canadian processing levels were some of the hardest hit, while eastern Canadian plants saw very limited production impacts.

In late April, Canadian weekly cattle slaughter dropped down to 24,000 head, the smallest slaughter level on record going back to 1973. The two major Canadian processing plants saw the greatest reduction, as the Cargill plant in High River, Alberta was shut down completely for over two weeks, and the JBS plant in Brooks, Alberta was running well below half capacity. In a matter of seven weeks in April and May, Canadian packing plants processed 150,000 head less than 2019, which created a significant backlog of cattle that needed to be worked through. Given the larger numbers of cattle on feed at the start of the pandemic, this backlog of cattle weighed on the slaughter cattle market through all of 2020. As a result of the slowdown in fed cattle movement, placements were also delayed until later in the summer, which will also increase first quarter 2021 fed cattle marketings relative to what had previously been anticipated.

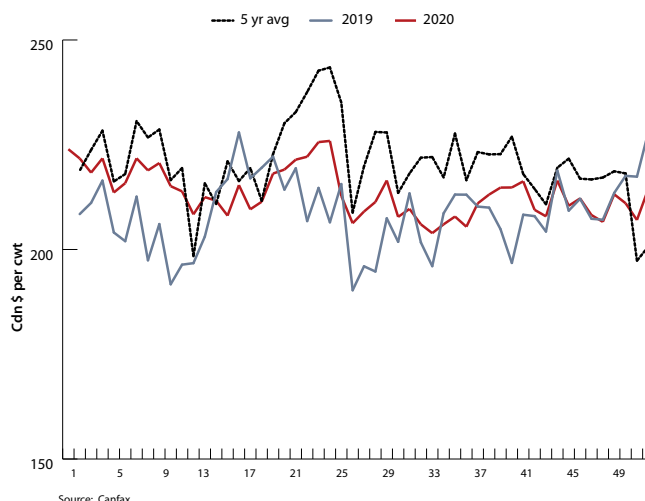
### WEEKLY CANADIAN SLAUGHTER



### ALBERTA WEEKLY FED STEER PRICE



### ONTARIO 5-600 LB FEEDER STEER PRICE



### Prices

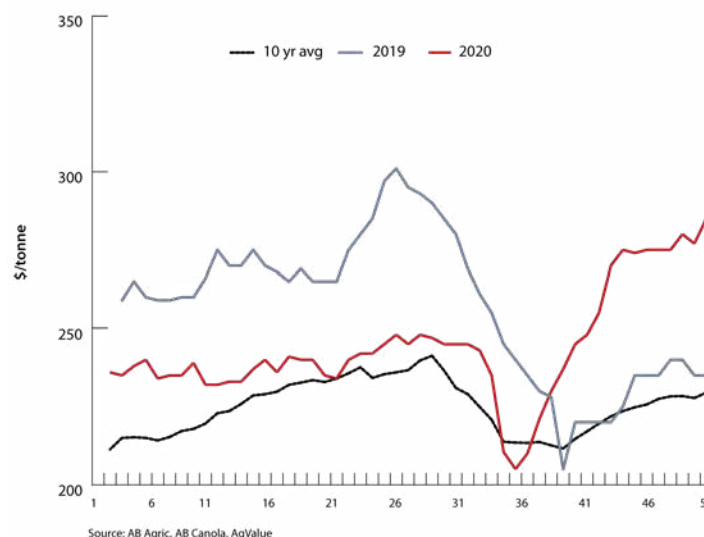
The market and supply chain issues caused by COVID-19 have weighed on the cattle markets this year. The fed cattle market has been hardest hit with limited processing capacity and an abundance of slaughter cattle available for processing. The second quarter saw extreme volatility for fed prices as only limited numbers of cattle were trading on the cash markets given production uncertainties. Alberta fed steer prices ranged between \$107/cwt and \$149/cwt in the second quarter before prices leveled off in the mid \$130's/cwt through the second half of the year. In the second half of this year, Alberta fed prices averaged at the lowest level since 2013. The Ontario fed market fared better than Alberta, as they did not have the processing issues this spring that the west had. Ontario fed prices have been higher than Alberta since the second quarter and have generally been above a year ago as well.



Despite the fed cattle market struggling this year, the calf and feeder market performed relatively well. After the feeder market dropped in the second quarter due to market uncertainty, prices rebounded and were close to 2019 prices in the third quarter with Alberta 850 lb steer averaging around \$186/cwt for the quarter. Demand for feeder cattle did drop in the fourth quarter with 850 steer calf prices generally \$10-\$15/cwt below a year ago. Calf prices saw the least impact, as prices in the second half of the year averaged in line with 2019. Alberta 550 steer prices continued in the similar range they have been the last couple of years trading generally from \$210 - \$220/cwt. The stronger Ontario fed market also supported calf and feeder prices as Ontario prices were generally higher than a year ago for the different cattle types and traded at a premium to Alberta.

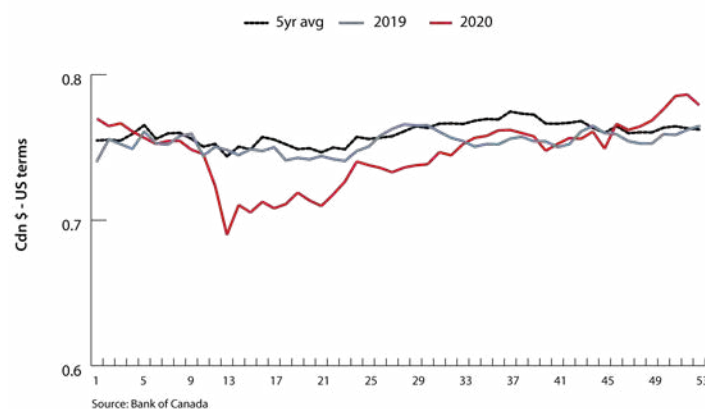
In addition to the volatility in the cattle markets related to COVID-19, cattle prices also faced other market pressure from major swings in the currency and grain markets. The Canadian dollar dropped to under 70 cents U.S. this spring, but generally trended higher the remainder of the year to hit over 78.5 cents and be at the highest level in two years. The fluctuations have been partly related to changes in the U.S. dollar, but as the Canadian dollar rises it is negative to the Canadian cattle market.

## LETHBRIDGE BARLEY PRICE - WEEKLY HIGH

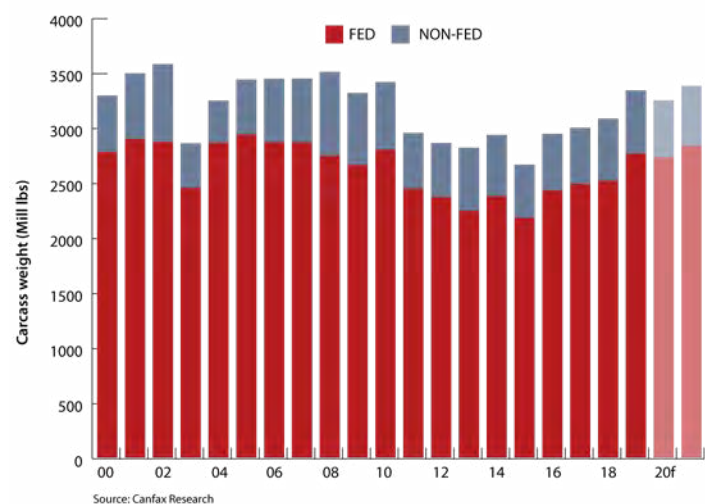


Feed prices had been holding relatively steady through the first half of the year as there were expectations for a record large U.S. corn crop, and ample feed grain supplies. Barley prices and feed costs in western Canada were higher than Ontario and the U.S., as barley supplies were tighter and strong export demand to China kept barley prices elevated. As the year progressed, U.S. corn crop production expectations were reduced, and China also stepped into the U.S. corn market which saw corn prices increase about \$1/bushel from the summer lows into the late fall. Given the tight barley supplies in western Canada, feedlots were importing corn to fill their feed requirements and these market shifts drove Canadian

## WEEKLY CANADIAN DOLLAR



## CANADIAN BEEF PRODUCTION



feed grain costs higher. Higher feed costs added to feedlot losses and also added pressure to calf and feeder prices later in the year.

Despite the major production issues due to COVID-19, Canadian fed beef production is expected to be equal to a year ago as packers ramped up the fed kill and carcass weights averaged about 5 to 10 pounds larger than a year ago. The non-fed kill saw significant reductions this year as Canadian packing plants focused on the fed kill after COVID-19, and producers also had better grazing and feed conditions to potentially reduce the cull rate in 2020 or hold their cull cows back until the new year. Non-fed beef production is projected to be about 20 per cent below last year. Slaughter cattle exports are slightly higher than a year ago, which would bring total Canadian beef production about 2 per cent below 2019, but about 6 per cent above 2018. Despite the Canadian beef cow herd being only 3.56 million cows, and the smallest cow herd since 1990, in the past five years Canada has seen strong growth in its beef production through feedlot expansion and increased processing

rates. Competitive basis levels have meant more cattle have stayed in Canada for finishing and processing, and feeder imports have also been increasing to support more feedlot and packing plant utilization. Canadian cattle slaughter hit a low in 2015 at just under 2.5 million head and has since expanded to just over 3 million head the last three years.

## Trade

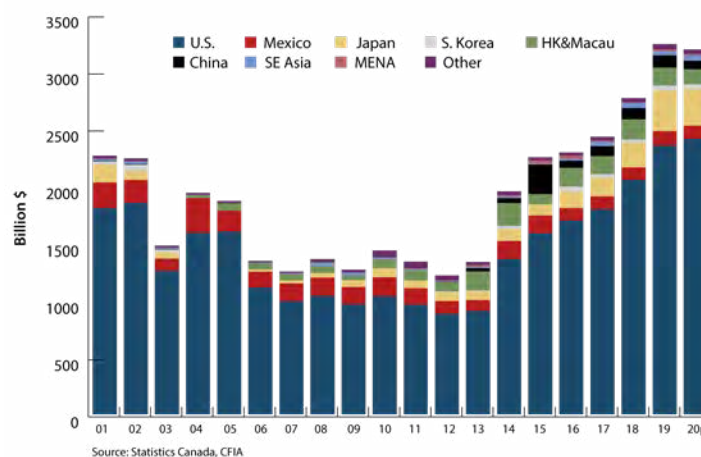
The Canadian beef industry remains very export dependant. Although live cattle exports have been declining as the Canadian herd has shrunk, it has still been exporting about 600,000 to 700,000 head per year, with slaughter cattle accounting for about 75 per cent of live cattle exports.

The major shift in live cattle trade over the last couple of years is the fact that Canada has become a net importer of feeder cattle from the U.S. In 2019, Canada was a net importer for the first time in many years, with feeder imports exceeding exports by almost 75,000 head, and this year Canada will be a net importer of over 200,000 feeder cattle.

Beef exports have been on the rise over the last five years as strong international demand and increasing Canadian beef production has supported beef exports. Beef exports increased by about \$1 billion dollars from 2015 to 2019 to hit over \$3.2 billion in 2019. Despite production issues, and export volumes possibly down about 6.5 per cent, exports could still be near \$3.2 billion in value this year. The U.S. continues to be the main export destination taking about 75 per cent of Canadian beef exports. Japan has moved solidly into second place, taking 10.6 per cent and Hong Kong/Macau is third taking about four per cent.

Beef imports did see an increase this year after trending lower for the past five year. Production issues and record high wholesale beef prices had retailers and food service users looking overseas to ensure consistent supplies. Beef imports increased about 22 per cent this year, back to levels not seen since 2015 and 2016.

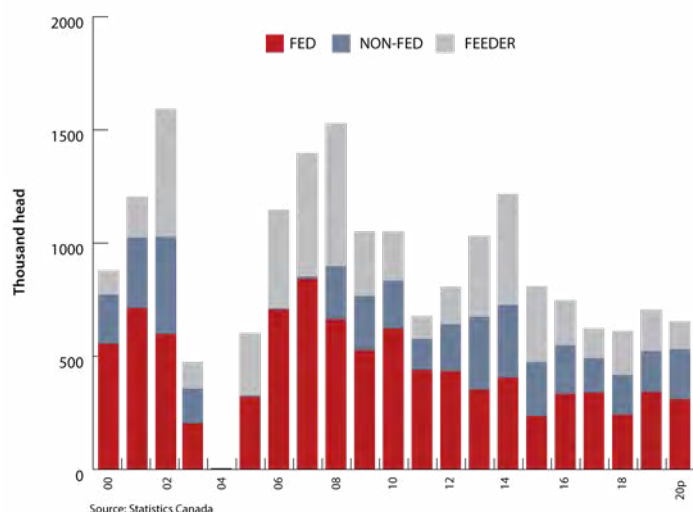
## CANADIAN BEEF EXPORT VALUE



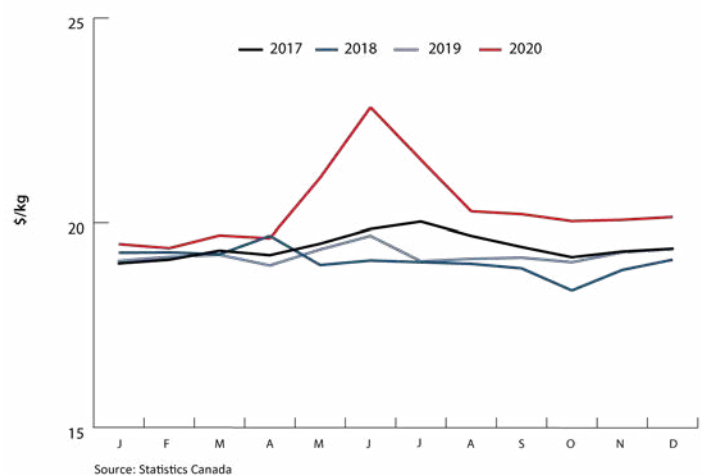
## Demand

There were major shifts in consumption patterns as restaurants were either closed or had to operate at limited capacity this year. This shifted a significant amount of beef to be sold through retail channels. Despite all the economic challenges this year, beef demand performed well. The slow down in packing capacity this spring created a shortage of some cuts of meat at retail and this resulted in retail prices hitting record high levels in the summer, but even as production returned to normal, retail beef did correct but remained above a year ago. The overall beef demand index is expected to be higher this year given beef consumption levels and the higher retail beef prices. Beef continues to be the top expenditure for Canadians at the meat counter.

## LIVE CATTLE EXPORTS



## RETAIL BEEF PRICES



## Canfax Research Services

Canfax Research Services (CRS) provides market information and economic analysis of issues that are of importance to the Canadian beef industry. In the last year CRS has been focused on the launch of several new initiatives, as well as the enhancement of existing activities. These include:

**The Eastern Price Insurance Project** started in June 2020 with Phase 1 finding that price discovery was robust enough to support an Eastern Price Insurance index when using data from Ontario and Quebec for calves and feeder cattle. Historical lot data is being sourced from Ontario auction markets and indices being developed by March 2021.

**The Canadian Beef Cost of Production Network** provides a collaboration with provincial coordinators to establish regional benchmarks in every province that reflect specific ecoregions and production systems. There will be 26 to 30 typical farms established with benchmarks, future farms that explore the adoption of different management and production practices, and the accompanying Greenhouse Gas (GHG) emissions to establish where there are opportunities to both reduce GHG emissions while also supporting cow-calf competitiveness. This will provide the foundation for the Canadian Roundtable for Sustainable Beef (CRSB) updated Economic Assessment. Data collection is taking place in the first quarter of 2021.



**Canadian Roundtable for Sustainable Beef:** CRS is providing staff support for the Science Advisory Committee and Chair's the Global Roundtable for Sustainable Beef (GRSB) GHG Science Committee examining Global Warming Potential (GWP) and the compilation of a standardized beef methodology document summarizing Food and Agriculture (FAO) Livestock Environmental Assessment and Performance (LEAP) methodology documents related to the beef industry on a variety of environmental topics.

**Beef Cattle Research Council (BCRC):** Blog articles and decision-making tools continue to be produced to support adoption and extension communications. The development of a Core Question document for future Canadian Cow-Calf surveys was published in March 2020 and distributed to provincial collaborators. CRS has contributed to the BCRC internal record keeping project and Eastern Content project's working group. CRS provides technical comments on the Scientific Review Body on the Technology Transfer and Production Economic Call.

**Canada Beef:** Additional reports are being provided including a quarterly Domestic Market Intelligence Report launched in May 2020, monthly U.S. articles for the Global Market Intelligence Report and oversight of a student providing monthly beef trade articles.

### CRS Provides Secretariat Services to the Beef Advisors:

Ten-year goals are being developed building on the 2020 to 2024 National Beef Strategy. In setting these goals, industry is aiming to build support for beef production and its activities through a clear consistent message that communicates industry ambition and the benefits of beef production.

**Data-mapping** was completed in September 2020 for Verified Beef Production Plus (VBP+) matching national statistics with audit questions.

**The Canadian Boxed Beef Model** is scheduled for an update. These periodic updates ensure current cutouts are captured as market access changes shift demand for cuts from the packing plants.

**The Implementation of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)** in January 2019 has provided opportunities for yield specifications to adjust. This project was delayed due to COVID-19 and is expected to resume in 2021, depending on the availability of packer engagement.





## Canadian Roundtable for Sustainable Beef

The mission of the Canadian Roundtable for Sustainable Beef (CRSB) is to advance continuous improvement in Canadian beef industry sustainability through multi-stakeholder engagement, collaboration, communication and science. The CRSB continues to play a leadership role in the beef sustainability space.

While 2020 presented many unexpected challenges, it was also a year with many milestones and opportunities to build trust with stakeholders and consumers.

The CRSB drives progress against its mission through three main pillars of work: sustainability benchmarking and setting strategic goals for improvement, CRSB Certified – a voluntary 3rd party certification program, and demonstrating progress through on-the-ground projects.

CRSB's membership continues to grow, with over 110 members and observers, including addition of 12 new members in 2019-20 from a diverse range of categories, including producer associations, processors, academic research, NGOs, retail and foodservice, and agribusiness.

CRSB continues to engage on the Global Roundtable for Sustainable Beef (GRSB) through its seat on the Board of Directors, Communications Council and Goals Working Groups.

### National Beef Sustainability Strategy

CRSB kicked off 2020 with an Interim Report on the goals and action items in the National Beef Sustainability Strategy, reporting on progress since the first strategy was released in 2016, and where to focus efforts over the next few years leading up to the next National Beef Sustainability Assessment. We are pleased to report that 86 per cent of the environmental, 75 per cent of the social and 83 per cent of the economic action items in the strategy have been completed or are in progress. Check out the Interim Report for details on action items that will be addressed over the next three years. Visit [csrb.ca](http://csrb.ca) for the full report and infographics introduced this year to help further communicate about beef sustainability.

The Canadian Beef Advisors are building upon the five-year goals outlined in the 2020-2024 National Beef Strategy with a suite of ambitious ten-year goals that aim to show how the industry is continually improving practices and making steady progress. CRSB participated in the development of these goals, and held two series of webinars (six in total), in the spring and fall of 2020. The purpose of the webinars was to provide scientific background from experts and gather feedback as draft goals were developed.



## Certified Sustainable Beef Framework

Recognizing and Advancing beef sustainability through a world class, operation-level certification program

The CRSB's Certified Sustainable Beef Framework continues to build momentum. Four foodservice companies are now sourcing beef from CRSB Certified farms and ranches, and over 8.6 million lbs of beef was sold with a CRSB Claim since 2018.

In 2017, the CRSB launched the first outcome-based certification framework for beef sustainability in the world, known as CRSB Certified. The Framework recognizes sustainable practices in beef production and processing, supports sustainable commitments in the retail and foodservice sector, and builds trust for Canadian beef through credible, science-based claims.

Adoption of the program continues, with a 28 per cent increase in beef producer participation in 2020, over 9 million cattle currently raised on CRSB Certified Operations, and 8.6 million lbs of beef have been sold with a CRSB Claim since 2018. The demand for beef raised on CRSB Certified farms and ranches outweighs the supply, and there has never been a better time for beef producers to seize opportunities through this certification program.

There is increasing consumer awareness and interest about how food is produced and the sustainability of the food system. In fall 2020, there were several exciting announcements and new players partnering with the CRSB to help share the great beef sustainability story in Canadian beef. Key highlights of the year included:

- JBS Canada facility in Brooks, Alberta was certified to Sustainable Beef Processing Standard
- Chop Steakhouse & Bar was first to feature CRSB Certified on a restaurant menu with its Chop Burger
- McDonald's Canada introduced sustainable beef sourcing to its Quarter Pounder® line-up featuring a full-scale advertising campaign, in-store marketing and packaging, coupled with a "Future of Sustainable Beef Ranching" campaign
- Gordon Food Service Canada Ltd. committed to beef sustainability in its Gordon Choice™ brand boxed beef program, another first for CRSB
- Cargill Guelph facility was certified to the Sustainable Beef Processing Standard; further, with successful Chain of Custody certification in place, Cargill is now sourcing beef from CRSB Certified farms and ranches across Canada for both High River, Alberta and Guelph, Ontario facilities
- Ontario Corn Fed Beef Quality Assurance Program was approved as a CRSB Certification Body for feedlot operations in Ontario

- Loblaw made its first purchase of one million pounds of beef sourced from CRSB Certified farms and ranches, the first grocery retailer in Canada

The CRSB looks forward to further momentum in 2021.



## Communicating Beef Sustainability

Communications and marketing were a key focus for the CRSB in 2020. Working with an external agency, a robust three-year marketing strategy was developed to expand on the plans already in place. One of the key recommendations is expanding our reach to consumers. To kick that off, CRSB carried out its first consumer-directed social media ad campaign in the summer of 2020, focusing on creating awareness about the environmental benefits of sustainable beef production in Canada. The campaign was supported by the development of a website, [beefortheplanet.ca](http://beefortheplanet.ca), which highlights key data from our National Beef Sustainability Assessment, showcases the Guardians of the Grasslands documentary, and shares numerous CRSB Certified beef producer stories and videos. The social ads are linked to this website to enable people to learn more. The campaign was successful and started an important conversation; we continue to leverage this website as we work with our retail and foodservice partners. The icing on the cake was receiving a Best of CAMA award - awarded annually by the Canadian Agri-Marketing Association to recognize excellence in marketing and advertising in agriculture. Surprisingly, the website was also recognized with a special Best in Show award. CRSB would like to recognize Kahntact and Nourish Food Marketing who worked with CRSB to develop the campaign and AdFarm for designing the website.

We continue to collaborate with members and industry partners in many areas, particularly with Public and Stakeholder Engagement, and Canada Beef. A great example of this working relationship was a sponsored campaign with the Toronto Star called “Cooking by Degrees”. It brought together university and college executive chefs, their favourite beef recipes, and features Canadian beef producer stories from across Canada, penned by Owen Roberts, a great supporter of agriculture storytelling. Sponsored ads by CRSB, Canada Beef and Guardians of the Grasslands were embedded from December 2, 2020 to January 12, 2021, and the articles will live on in the Toronto Star digital space. Check it out at [thestar.com/sponsored\\_sections/cooking-by-degrees.html](https://thestar.com/sponsored_sections/cooking-by-degrees.html).

We are excited to expand our reach in our social channels and develop more of these types of campaigns in 2021.

Of course, none of our work would be possible without our farmers, ranchers and industry partners. We continue to promote sustainability within the industry, such as through industry events like the Canadian Beef Industry Conference. CRSB was part of the Program Committee, and then the core planning team, as the conference shifted to a virtual event in 2020. A sustainability panel discussion was one of the most popular sessions, and brought together beef producers from Alberta and Ontario, with foodservice and restaurant speakers for a great discussion facilitated by Shaun Haney of RealAgriculture.

### Shifting Priorities and “The New Way” to Engage

As we all experienced in 2020, CRSB had to make some changes in how we operated and how we engaged with our members. As we look back over the past year, we were able to pivot quickly, maintain contact and even improve engagement to meet our 2020 goals. We held both our semi-annual and annual meetings virtually, and in addition to our Canadian beef Goals webinars, CRSB held a series of webinars on a diverse range of topics.

Alongside CCA, our environmental NGOs helped share the importance of grassland conservation with the media, and CRSB participate in its first government fly-in (virtually) in Ottawa. To connect with the heightened awareness about the security and sustainability of Canada’s food system, we worked with Canada Beef, restaurant partners and beef producers across Canada to share their stories of gratitude to help the supply chain moving.

Check out our Annual Report for more details on our progress in 2020. We look forward to making further progress together in 2021 with initiatives such as phase two of the Canadian Beef Goals, supporting GRBSB’s global goal setting, working with supply chain partners committed to supporting Canadian beef producers and sustainability, and continuing to build trust for Canadian beef here in Canada and around the world.

We’re here to help youth succeed in the beef industry.



RBC® is a gold sponsor of Cattlemen’s Young Leaders.

Cattlemen’s Young Leaders (CYL), by the Canadian Cattlemen’s Association, offers industry-specific training and mentorship opportunities to young people ages 18-35.

With a 10-year, \$500M commitment to empowering young Canadians, the RBC Future Launch initiative invests in programs like the CYL that help our youth with opportunities for networking, skill development, and practical work experience, as well as mental wellbeing supports and services.

Learn more at [rbc.com/futurelaunch](https://rbc.com/futurelaunch)



RBC Future Launch





## Public and Stakeholder Engagement

Like most of the other divisions of CCA, the Public and Stakeholder Engagement (PSE) team had to be flexible and able to pivot plans in 2020. Although the adversities experienced throughout the year challenged the industry, we have also seen tremendous gains in public trust for the food system overall.

Annual research from the Canadian Centre for Food Integrity (CCFI), showed an incredible 12-point gain in trust over the year previous, concluding that “Canadians are confident in and optimistic about the food they eat and those who produce it” (CCFI 2020). This demonstrates clearly how crisis situations can also present great opportunities to foster trust through our response.

Structural and staff changes to the program this year included the finalization of governance structure which saw outgoing CCA President, David Haywood-Farmer, joining the program as the first PSE Chair. Haywood-Farmer will serve a two-year term in the position and act as a strategic advisor for the Stakeholder Engagement (SE) Manager. Staff changes in early March left a team of only two to manage through the first wave of the COVID-19 pandemic. In late October, Lynsay Beavers joined the team as SE Specialist, bringing a wealth of knowledge from her career in communications and extension in the dairy sector. With Domonique Anderson celebrating the arrival of her first baby, current master’s student Sydney Fortier has accepted a one-year contract to fulfill the role of SE Technical Advisor.

### COVID-19 Response

As COVID-19 was declared a pandemic, PSE became part of the media relations team for crisis response. This included assisting with industry statements, news releases, selecting spokespersons and prepping with key messages. Virtual media scrums were created to maximize spokesperson time with multiple media requests and online town halls were developed to keep stakeholders aware of industry updates. Campaigns to express gratitude to frontline workers were created with Canada Beef and provincial association partners, including a video with participation from producers across the country.

### Issues Management

An investment in the media tracking platform Meltwater early in the year allowed for refined media tracking, calculating reach of negative articles, and following emerging trends. During COVID-19, the team monitored online narratives attempting to link intensive feeding operations with zoonotic disease outbreaks. When this was supported in a CBC e-newsletter, PSE collaborated with veterinarians at the Western College of Veterinary Medicine and the University of Calgary Faculty of Veterinary Medicine to develop a response and create media statements for future use. In early 2020, responses were developed with Canada Beef for publications advocating diet changes for the new year, which resulted in a letter to Chatelaine being published in the magazine. Other trends included messaging about reduced environmental impacts of blended

beef products. Meetings were held with members of Maple Leaf’s senior management, in partnership with the Canadian Pork Council, to discuss how future campaigns could focus on the benefits of both plant and animal proteins in blended products.

In July, Burger King launched a campaign announcing an open source solution to methane emissions from cows. Unfortunately, the video focused on bovine flatulence instead of belching and the solution proposed was based on trials demonstrating mixed results. PSE developed key messages that were shared with National Cattlemen’s Beef Association and utilized by the Global Roundtable for Sustainable Beef (GRSB) in discussions with Burger King marketing executives. The result was an apology letter from Burger King and edits to the original campaign video. PSE also worked with the GRSB on a letter to the United Nations (UN) following a tweet advising a reduction in meat consumption. In response, the tweet was deleted and meetings between the two organizations are being planned.



### Consumer Research

Planned public perception research went ahead in July 2020 to provide bench line data to inform the strategic direction of the PSE program’s proactive content. This research found that most Canadians have positive impressions of the industry and support its’ role in providing high quality food and contributing to the economy. Challenges included less support for the industry from an environmental perspective, which was felt most strongly in the millennial demographic and particularly from females. However, key messages about environmental benefits of cattle production were effective in increasing positive sentiment towards the industry in all age categories. Other highlights included



an overwhelming 70 per cent of millennials that are interested to know more about the beef industry, presenting an incredible opportunity for engagement and building trust.

### Partnerships

Although still a new division of CCA, PSE has demonstrated its value to industry through fostering collaborations, partnerships and synergies across Canada and beyond. This includes a continued membership with the Canadian Centre for Food Integrity and increased engagement with Steve Lee, formerly of the 3% project and now a policy advisor to the UN. The Simpson Centre at the University of Calgary was up and running early in the year and hosted an entire series of webinars, many of which focused on the beef industry specifically. Amie Peck, previously on the GRSB communications council took on the role as Chair which will allow for closer alignment between Canadian communications and issue management perspectives with a global reach.

### Public Outreach

One of the most important aspects of the PSE program, Public Outreach, had to be especially nimble in 2020 with the cancellation of in-person events. This included positioning content for virtual events, such as the Earth Day presentation of Guardians of the Grasslands hosted in partnership with Ducks Unlimited Canada (DUC) and the Nature Conservancy of Canada (NCC) which saw an incredible attendance of over 150 people.

As CCA partnered with the Canadian Federation of Agriculture on their 'Food for Thought campaign', the PSE program identified an opportunity

to have aligned messaging in a complimentary initiative, but specific to the beef industry. Called 'Leave Something Behind', this included a series of producer videos that emphasized how farmers and ranchers are working to leave the land and environment better than they found it, for the next generation of beef producers and Canadians. This was complimented by two special media presentations, the first focusing on the risks to

young producers because of COVID-19 impacts, which included Young Cattlemen's Council members. The second, hosted with CRSB, focused on potential risks to native grasslands with guests from Dalhousie University, DUC, NCC and Birds Canada. This campaign was also awarded best Crisis Communications and Issue Management at the Canadian Agri-Marketing Awards.

Guardians of the Grasslands continued to see film festival success throughout the year. Worth noting was that many of the festivals had an environmental focus in target urban areas including Elements Environmental in Vancouver, the 'Caring for the Climate' series in Oakville and the Wildlife Conservation festival held in Los Angeles and New York. Although unfortunate that most festivals were online events due to COVID-19 restrictions, the film continued to reach audiences in large urban centres including Montreal, Toronto and Ottawa. It also drew the attention of the Narwhal, a publication based in Vancouver that focuses primarily on environmental issues. In their article, "Meet the People Saving Canada's Grasslands," two of the film's participants were interviewed and provided their perspective of the role of ranching in grassland preservation.

One of the largest public outreach initiatives was hosted at the Royal Agricultural Winter Fair, based in Toronto. Jill Harvie, beef producer and host of Food Careers podcast, interviewed Steve Lee about how his perceptions changed through in-person visits to farms and ranches across Canada. In the discussion, Lee talks openly of how he went from thinking the beef industry was disastrous for the environment to learning about carbon sequestration and native grasslands preservation as part of stewardship practices. When asked how he perceives the beef industry now, Lee responded, "it's not (just) environmentally friendly; it goes way beyond that. Ranching is really a form of stewardship that happens to involve cattle."

The PSE program looks to continue providing value to stakeholders through strategic issue response, coordinated both on a national and global level, to both mitigate negative attention and build opportunities for positive media stories. Fostering existing partnerships and continually seeking new potential relationships, especially those that focus on education and environment, will continue to be a priority. The development of proactive content will focus on positioning the industry as a leader in environmental stewardship, nature-based climate solutions and integral to the overall Canadian food system.

## Verified Beef Production Plus Program

The Verified Beef Production Plus (VBP+) program experienced a great deal of growth in the 2020 year, pandemic notwithstanding. The year was pivotal in many ways in terms of what the VBP+ program can deliver to both industry stakeholders and Canadian beef producers. Key was the launch of VBP+ Delivery Services Inc. and the development of a comprehensive audit management tool.

VBP+ Delivery Services Inc. (VBP+ Inc.) was incorporated in February of 2019, but not fully realized until late 2019. Early 2020 saw the organization start to deliver audits in the provinces of British Columbia, Alberta and Saskatchewan while beginning the transition of the Eastern provinces. VBP+ Inc. is the certification arm of the VBP+ program and the organization tasked with delivering certification to all Canadian beef producers to the VBP+ standard. VBP+, under the umbrella of the Beef Cattle Research Council, continues to provide training and pre-certification education as well as maintenance of the VBP+ standard.

Certification services offered by VBP+ Inc. were paused and slowed in March of 2020 while public health officials and governments of all levels sought to understand and provide guidance on mitigating the spread of COVID-19. VBP+ Inc. took this opportunity to begin development on a new electronic audit management system that not only allows the organization to fully meet the requirements of the accreditations and equivalencies it currently holds but is flexible enough to incorporate additional outcomes into its audit/certification process thus providing maximum value to producers through one audit/certification.

The system also provides robust key performance indicators and aggregated metrics from the audit/certifications that are performed which can be utilized in many different ways; to provide focus to producer education in key gap areas, provide validation data to drive potential research direction and/or provide grassroots data on producer practices at the operational level to support policy or governmental change recommendations. These metrics are already being regularly utilized by the VBP+ Management Committee and in the near future by the VBP+ Technical Committee to guide program change activities.

The COVID-19 pandemic also dictated that VBP+ Inc. start development and piloting of remote audit methodologies to enable the continuation of audit activities in areas where there may be public health directives in place that are limiting. There is a small team of auditors that are currently performing pilot remote audits on operations across Canada and data generated will be utilized in methodology development that can be presented for validation of the remote audit process by any stakeholder or oversight body. Different technologies for virtual auditing will also be examined and evaluated for potential utilization in different yet distinctly Canadian environments. These technologies must meet many demanding environmental and connection challenges to be effective. A positive outcome of this activity will be remote audit technologies and methodologies that can be validated and utilized in



an audit/certification cycle to support audit rigor while keeping costs down for Canadian beef producers.

VBP+ Inc., pandemic notwithstanding, had a successful year auditing operations largely in western Canada, achieving around 60 per cent of their anticipated number of audits. Following is a chart showing the head numbers of various sectors on certified operations as of December 31, 2020.

Backgrounder	233,587	+24,762 since Jan 2020
Cow/Calf	308,616	+27,214 since Jan 2020
Feedlot	999,842	+124,057 since Jan 2020

In-person training activities under VBP+ and delivered through the provinces were essentially shut down starting in March 2020 due to the pandemic. Provincial coordinators were able to shift and start to deliver workshops by webinar, but some areas are still constrained by the lack of internet connectivity. It is hoped that sometime in 2021, in-person workshops can resume for producers that prefer that mode of delivery. On-line training remained available, but again, some areas remain restrained by lack of connectivity to take advantage of online delivery.

VBP+ took the opportunity during the slowdown of training during the pandemic to accelerate efforts on the training content redevelopment activity. Ensuring that training is relevant, current and ensures producers have the information to be successful at audit/certification is a high priority and work continues to that end. It is anticipated that the new online, in-person and webinar training, as well as updated reference material will be available end of summer 2021.

Having a substantial number of producers who are invested enough in their industry to take training to improve their management practices is a metric that is of interest to some retailers. VBP+ conducted a research project in late 2019 to early 2020 to begin to assess the value that retailers and food amplifiers place on training on management practices provided by industry. The results were interesting with more to come on this topic in 2021.

Despite the obstacles placed in our path in 2020, VBP+ and VBP+ Inc. managed to make the best of a difficult situation and show progress during the year. There remains much to do, as always, but VBP+ is up for the challenge. From all indications and without additional complications, 2021 is shaping up to be a great year for the program.





## Beef Advisors

### Canadian Beef Advisors – Industry Goals to 2030

A suite of ten-year goals are being developed in collaboration with the national beef organizations that build upon the five-year goals outlined in the 2020-24 National Beef Strategy. This provides a single set of goals that all the national organizations will be aiming to achieve together. These ambitious but realistic goals provide positive and clear messaging about how the Canadian beef industry is striving for incremental continual improvements.

The intent is that these are “stretch” goals that encourage industry to strive for something we would not achieve without setting them, encouraging innovation and pushing industry as a whole to think differently and move out of our comfort zone. The underlying principle of continuous incremental improvement should not diminish what industry achieves if the specific goal is not reached. However, it will encourage industry to explain why a goal was or was not reached. The Canadian Beef Advisors have committed to transparent reporting to industry through the National Beef Strategy.

The first three topics were released in September 2020 addressing

1. Greenhouse Gas and Carbon Sequestration;
2. Animal Health and Welfare;
3. Land Use and Biodiversity.

The next four topics will come in 2021 addressing: Water, Beef Quality and Food Safety, People Health and Safety, and Technology.

This suite of goals covers productivity and support the delivery of a higher quality product. These goals recognize the breadth of benefits from beef production beyond supplying global protein demand.

### How these Goals will be used

These goals will be used by the Canadian Roundtable for Sustainable Beef (CRSB) to inform the update of their Sustainability Strategy. They will also inform the Beef Cattle Research Councils (BCRC) update of the National Beef Research and Extension Strategy for 2023-28. As well as, positioning the Canadian beef industry as part of the solution on these topics, rather than the problem, in Ottawa. In setting these goals, industry is aiming to build government and public support for beef production and its activities through a clear consistent message that addresses the challenges faced head on while also communicating its benefits.

### CANADIAN BEEF GOALS 2030

*Fostering long-term continuous improvement in the Canadian beef industry*



## The Process

An iterative process was used to develop the proposed goals including a literature review, stakeholder interviews with researchers, veterinarians and producers that provided feedback on what was feasible for industry to accomplish. This looked at past performance recognizing that previous achievements came from multiple small incremental improvements across the system as a whole.

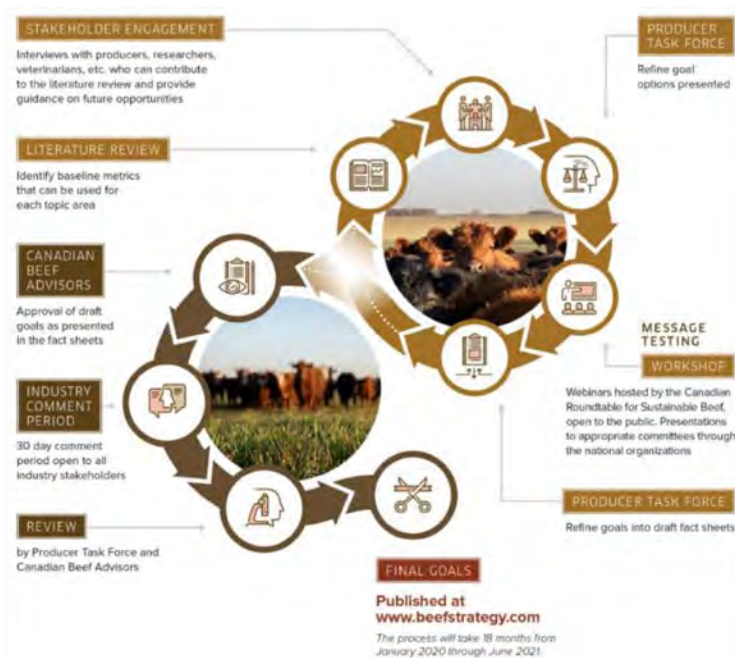
Also recognizing that there are diminishing marginal returns with biological limits in some areas; while other areas may experience acceleration due to technology, adoption and new opportunities. Where feasible, scenarios were provided that included a continuation of historical trends and potential breakthroughs.

Preliminary options were presented to the Beef Advisors, the CRSB membership through a series of webinars and a producer task force with representatives from the Beef Cattle Research Council (BCRC), Canadian Roundtable for Sustainable Beef (CRSB), CCA and National Cattle Feeders Association (NCFA) for feedback and discussion. Questions that were raised throughout the process are addressed in the FAQ section in each fact sheet.



## The Canadian Beef Advisors

The Canadian Beef Advisors consist of the current chair or president and senior staff of each of the seven national beef organizations responsible for policy, marketing, research and sustainability. They are a diverse group of experienced industry representatives who are leading the implementation of the National Beef Strategy on behalf of the Canadian beef industry. They are tasked with prioritizing and reaching the goals outlined in the National Beef Strategy 2020-24.



The National Beef Strategy promotes a united approach to position the Canadian beef industry for greater profitability, growth and continued production of a high-quality beef product of choice in the world.



## Regenerative Beef Production

Regenerative agriculture has become a hot topic in recent months with several documentaries being released (e.g. *Sacred Cow*, *Kiss the Ground*, *Return to Eden*). In addition, there have been a number of initiatives announced related to regenerative practices including Terramera's Global Centre for Regenerative Agriculture, General Mills commitment to advance regenerative agriculture on one-million acres of farmland by 2030 and a million-acre sustainable grazing initiative funded by Walmart Foundation, Cargill and McDonald's aimed at the U.S. Northern Great Plains.

There was interest expressed by the Canadian beef industry to communicate how regenerative practices are implemented on beef operations. While recognizing that regenerative practices are always adapting; if there was to be any communication there would need to be some alignment on what was included in the term or not. Therefore, the Canadian Beef Advisors drafted a Statement on Regenerative Beef Production focused on outcomes and principles.

### Draft Statement on Regenerative Beef Production

Regenerative practices are part of a sustainable Canadian beef production system. Because no two farms or ranches are the same, producers adopt principles and elements of regenerative practices that are appropriate for their environment and individual operation in order to achieve desirable outcomes.

Regenerative beef production recognizes the co-benefits of integrating the crop and livestock sectors, which supports nutrient recycling as well as soil health.

This must be viewed from an agricultural systems or community perspective as some individuals may not be able to incorporate all recommended practices on their operation. For example, one neighbour has their crop residue grazed by the second neighbours' beef cows and sells the grain and straw to a third neighbour's feedlot. The third neighbour buys the calves from the second neighbour and sells manure to both. This creates an interconnected system that continues to cycle and rejuvenate itself.

### Outcomes:

1. Regenerative practices build soil organic matter, enhance soil biodiversity, and generate new topsoil.
2. Regenerative practices enhance ecosystem services such as: carbon sequestration, biodiversity, water infiltration, the ability of soil to hold water and therefore build resilience against drought/flood
3. Regenerative practices recycle nutrients within an interconnected agricultural system consisting of both livestock and crop production. Nutrients in manure help to offset synthetic fertilizer use and improve organic matter in soils. Livestock also utilize weather damaged crops, residues and by-products not suitable for human consumption, minimizing waste within the system.
4. Regenerative practices strengthen rural communities and the natural ecosystems they are a part of, striving to leave the land and communities better off.

### Principles:

1. Utilize a holistic approach that seeks to strengthen ecosystems and community resilience
2. Limits soil disturbance, maintain soil cover, keep living roots in the ground and active as much of the year as possible
3. Optimize plant biodiversity (e.g. manage crop rotations for the ecosystem/region, complex pasture mixtures) including forages, intercrops, polycultures and cover crops into rotations
4. Utilize grazing concepts including a focus on the grazing period to avoid overgrazing, suitable rest periods, animal impact to stimulate the soil, appropriate stock density, and preserve soil cover.
5. Recycle nutrients with grazing and crop-livestock integration

### Public Message Testing

In the month of November, Public and Stakeholder Engagement conducted public message testing to determine the awareness of 'regenerative'. As expected, awareness of the concept of 'regenerative agriculture' is fairly low (at 1 in five) compared to other terms (like 'sustainable agriculture' at 1 in 2).

Respondents react positively to the different regenerative agriculture practices used in the industry. The identified outcomes on improving soil biodiversity, recycling nutrients, enhancing ecosystems, and strengthening communities left between 70-75 per cent feeling better about the sustainability in the industry. Familiarity with the term 'regenerative agriculture' is highest in urban respondents and those under 44 years of age, highlighting the opportunity to connect with an important demographic. Overall awareness of regenerative agriculture and beef industry environmental sustainability is low, therefore any information about sustainable practices is likely to be received positively.





## Industry Stakeholder Feedback

A stakeholder survey was open between November 23 and January 8, 2021 with 246 responses with national coverage. Overall, respondents were neutral to positive about the industry defining regenerative beef production.

**Table 1. How do you feel about the beef industry defining the term “Regenerative beef production”?**

	Total	Cow-Calf	Feedlot	Seedstock	Other
Very Positive	26%	20%	16%	20%	21%
Positive	38%	26%	42%	33%	45%
Neutral	28%	20%	21%	33%	26%
Negative	6%	2%	21%	13%	8%
Very Negative	3%	3%	0%	0%	0%

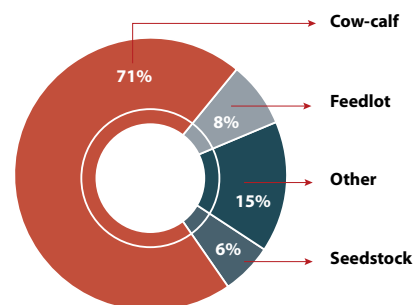
## What Does Regenerative Beef Production Mean to You?

Eighty-seven percent provided a written response. Comments focused on regenerative being a closed loop system whereby nutrients stay where they are produced, and fossil fuel, synthetic fertilizer, herbicide, pesticides, and tillage are minimized. Fertility and pest control are managed by adopting and mimicking natural processes. Forward thinking, sequestering carbon by working with nature, building microbes, and soil health. This was connected with the potential of beef production mitigating climate change with carbon sequestration. For many, it meant grass-finished beef only.

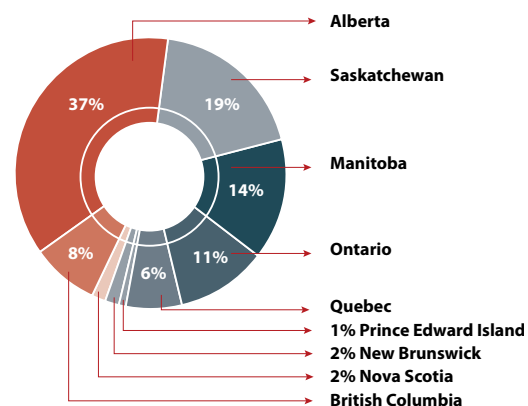
There were many comments related to sustainability. Both positively equating regenerative practices with generational improvement and perpetual sustainability without artificial support. But also negatively, stressing that regenerative means more than sustainable; in that it is rebuilding and improving and not just maintaining the current status quo.

For others it was a marketing term. With a vested interest in industry continuing its work to build consumer awareness for “sustainable beef production” and concern about confusing the consumer with a different term.

## Responses via sector



## Responses via province



## Any Missing Outcomes?

There were five main areas identified that were missing from the outcomes or that needed to be expanded:

### 1. Nutrition

- Connection between livestock health and benefits to people health
- Focus more on human health as opposed to "strength of rural communities" through thriving and improved diversity of plant and animal communities

### 2. Animal Health

- Regenerative practices can also help to decrease parasite load on cattle and contribute to increase immunity and gains. This would decrease the use of antibiotics and parasite control products
- Emphasis on health and welfare of the animals. Reg ag should underscore good animal husbandry

### 3. Lifestyle

- Smaller farms, less reliance on shiny big iron, back to lifestyle, less of a business focus
- Time saver, cattle do more of the work to free time for other tasks
- Must have value-added to the end-product to offset stewardship costs

- Focus on direct-to-consumer marketing. Promote locally grown
- Enhances social relationships and strengthen local economies

### 4. Economics

- Lacks any reference to profitability
- Better net income for producers with reduced inputs
- Greater resilience to drought/flood that supports cash flow

### 5. Diversity

- Plant biodiversity is too narrow. It should be expanded to include all diversity
- The microbial world 'good bugs,' and benefits to perennial grasslands are not addressed
- A measurable difference in the numbers and frequency of wildlife (i.e. more pollinators, birds)

The statement "interconnected agricultural system consisting of both livestock and crop production" was challenged. While some respondents claim that regenerative agriculture does not have to consist of both. Others noted the very real challenge of getting crop and livestock producers to work together, particularly on manure spreading.

### What's Missing from the Principles?

- The definition of "Holistic" is debated, a "systems" approach or "mimicking nature" would be more appropriate
- Grazing needs to capture timing and duration of grazing period; and "recovery" not "rest"
- The principles are too specific, they need to be qualified with "may" use these principles
- Add something about reclamation of degraded lands. It is possible to use regenerative grazing to reclaim and continue to improve damaged soils.
- Regenerative practices are integrated with the local flora and fauna to enhance their sustainability. Consideration of the local fauna is missing. Different regions will have different practices, dependent on many different factors

### Concerns Raised

Sixty-two per cent of respondents provided written comments. There were six key concerns identified in the comments provided.

- 1. "Regenerative Agriculture"** is a passing fad, here today gone tomorrow. It sounds like a push for holistic, grass-finished and organic management. Organic farms are promoting themselves as "regenerative" this could lead to confusion by consumers expecting the same attributes.
- 2. Sustainable beef production** is a better term to heavily emphasize with and promote; because it relates to economic, social, and environmental sustainability. Regenerative is environmental only, so can be used, but should be secondary messaging. Put energy into promoting "Sustainable beef" now that it is getting traction.
- 3. Feedlots** do not qualify for regenerative beef production.
- 4. Climate connection:** It was noted that the benefits to soil carbon sequestration from regenerative agriculture is a still being debated. Particularly as grass-finished beef tends to have higher greenhouse gas emissions and quantification of soil carbon sequestration varies significantly based on soil, rainfall and grazing management.
- 5. Protect Niche Markets:** For those within the regenerative movement they are looking for premiums and don't want something that will water down the movement by making it mainstream. While there was acceptance that speaking and promoting regenerative beef production is a great idea and needs to be done. However, it should be done by organizations and producers who are actively practicing these principles, not the national beef organizations.
- 6. Greenwashing:** It was noted that the majority of beef producers must be using these practices before it is used as a marketing tool. To say the practices outlines are currently widespread was questioned. Consequently, using the term "regenerative" to describe mainstream practices would be considered greenwashing.

### Prioritize Producer Not Consumer Communications

There needs to be more information at the producer level about regenerative practices before it is discussed with consumers or the public. This information needs to be two-fold. First is the research in addressing gaps in knowledge and the science. It was noted that in particular, polycrops don't always work as designed. More work is needed in this area to determine what is suited to the Canadian environment. Second, is the extension of practices to producers. Adoption of regenerative practices requires patience and long game thinking. It will be years before significant progress can be achieved.

But there were also limitations to the regenerative movement identified. Most of the concepts are developed on tame grass. There is a need to recognize what can happen on tame versus native grass. There are existing principles for native grass management that are not covered by "regenerative".

In addition, there appears to be confusion about the use of "fringe" practices that are not necessarily "core" to the regenerative movements. With questions about the use of summer fallow, compost teas, and equating year-round grazing with carbon neutrality (which is only true in areas with high carbon sequestration rates per acre).

### Research

It should be recognized that the Beef Cattle Research Council (BCRC) is actively doing research around the key topics related to regenerative practices. BCRC has a role to provide science-based measurement to support producer adoption of beneficial production practices that contribute to economic and environmental sustainability.

Resources include topic pages and webinars on cover crops, adding diversity with intercropping, rangeland and riparian health. Decision making tools are available for adoption of water systems, carrying capacity, and selecting forage mixes.

## The Environmental Stewardship Awards (TESA) Update

With the COVID-19 pandemic and physical distancing edicts in place, some provincial associations either did not have summer meetings or were unable to award their provincial Environmental Stewardship Awards. However, four provincial recipients were named and Environment Committee Chair and CCA staff decided to go ahead with a two-event online showcase and awards ceremony.

CCA had nominees from Ontario – Charlton Angus Cattle Company, Paul De Jong, Temiskaming District; Manitoba – Hagan Ranch, Thomas and Felicity Hagan, Oak Lake; Alberta – Deer Creek Livestock Company, Richard Visser, James Bekkering, Kyle Turner and Jeff Smith, near Milk River; and, B.C. – Woodjam Ranch, the Seelhof family (Ricky, Chad, Riata, Renee, Cooper, Louis and Ellie), of Horsefly.

CCA began running profiles of each of the provincial nominees in the Action News Blog in mid-June. The nominees also took the opportunity for an online media training session, which will be an event each year going forward as it helps orient the nominees to tell their stories in an interview format. On July 29 we held a virtual introduction and showcase event promoting each of our nominees and their stewardship accomplishments. Select media were invited, as were stakeholders and provincial managers. Attendance and outcomes were positive.

After thoughtful evaluation and discussion the TESA judges selected the Seelhof family and their Woodjam Ranch as the 2020 TESA recipient. Of their many accolades the Seelhof family were acknowledged for their hard work and diligence in protecting the many riparian areas and flowing waters around the ranch. The award was presented by Environment Committee chair Duane Thompson during the 2020 virtual Canadian Beef Industry Conference (CBIC) in August. Despite the unusual circumstances surrounding the online nature of the presentation, there was good national media coverage of the awards and the recipients.

Looking ahead, 2021 marks the 25th anniversary of CCA's TESA. For this milestone significant enhancements are being undertaken to not only mark the occasion but to increase the profile of the award. This includes greater regional interest in getting nominees and increased general awareness amongst politicians, bureaucrats and the general public regarding the significant stewardship activities of Canada's beef cattle producers as well as the environmental benefits of beef cattle production in the Canadian context.

Enhancements include a revised and expanded communication strategy, alignment with conservation groups as foundational champions of the award, bolstering the judging structure and process and revisions to the eligibility for nomination to better include certain regions of the country. These enhancements will be complete in the first quarter of 2021. Presently, the plan is to present the 2021 TESA live during the CBIC scheduled held August 17-19, 2021.

## TESA - 2020 Provincial Recipients

### Hagan Valley Ranch

Thomas and Felicity Hagan  
*Oak Lake, MB*

**Manitoba Beef Producers**  
*Environmental Stewardship*  
*Award recipient*



### Deer Creek Ranch

Deer Creek Livestock Co. Ltd.  
(Richard Visser, James Bekkering,  
Kyle Turner and Jeff Smith)  
*Milk River, AB*

**Alberta Beef Producers**  
*Environmental Stewardship*  
*Award recipient*



### Charlton Angus Cattle Company

Paul De Jong  
*Temiskaming District, ON*

**Beef Farmers of Ontario**  
*Environmental Stewardship*  
*Award recipient*



The CCA thanks our TESA Platinum Sponsor MNP for making this award possible.

To learn more about the significant contributions of past TESA winners, please visit: [cattle.ca/sustainability/the-environmental-stewardship-award/](https://cattle.ca/sustainability/the-environmental-stewardship-award/)





## TESA - 2020 National Recipient



Woodjam Ranch, near Horsefly, British Columbia (B.C.), was the recipient of the 2020 The Environmental Stewardship Award (TESA). Woodjam Ranch is owned and operated by Ricky and Chad Seelhof along with their children Riata, Cooper and Renee. The couple purchased the ranch in 2013 from Chad's parents who had owned the property since 2003.

The Seelhof Family runs a 500-head black Angus cow/calf business on 2120 acres of cultivated and native rangeland in association with 80,000 acres of crown grazing license area. This ranch family feels it is their responsibility to steward the land.

"Judging a recipient for this year's TESA proved, as it always does, to be difficult due to the very impressive slate of nominees," says Duane Thompson, Chair of CCA's Environment Committee. "What stood out with the Seelhof family and their Woodjam Ranch was the extraordinary work they've done on enhancing and improving the many riparian areas on their operation. In addition, they have shared their stewardship experiences and encouraged other producers to do likewise, that's very impressive and good for our industry."

Woodjam Ranch is in the heart of the province's Cariboo region and lies adjacent to the Horsefly River and has 16 tributary creeks running through it. Ensuring these waterways maintain their health is paramount. The Seelhofs focus on planting a lot of willow, and work on riverbank restoration to prevent the significant spring flooding the ranch is subject to due to riverbank erosion.

Working in partnership with Fisheries and Oceans Canada, the Seelhof Family has installed eight large off-river watering systems and added in-ground piping. Furthermore, they continue to develop pasture in higher areas to keep cattle off the flood prone riparian areas.

Thompson highlighted that the TESA judges recognize the exceptional commitment of all nominees in bringing innovative conservation solutions to their operations that protect the environment and wildlife around them.

The award was presented by Thompson during this year's virtual Canadian Beef Industry Conference (CBIC).

"What stood out with the Seelhof family and their Woodjam Ranch was the extraordinary work they've done on enhancing and improving the many riparian areas on their operation."



## Animal Health and Care Committee

The Canadian beef industry provides world-class health and standards of care for our animals. This is achieved through recommended production practices and adherence to provincial and federal regulations. These efforts have resulted in improved market access and consumer trust in our products world-wide.

Animal health and care are fundamental to our industry. Disease outbreaks, climate, regulatory reform, and innovations in health and welfare systems add to the complexity and challenges experienced by our producers on an ongoing basis. 2020 has been an unprecedented year due to the global pandemic and it has also brought many challenges specific to animal health and care. A selection of activity highlights is provided below.



### Animal Health Canada

Building on the foundation of livestock traceability, the importance of effective animal disease prevention, preparedness, response and recovery (PPRR) is essential to ensuring the health and welfare of Canada's farmed animals. CCA is co-chairing a multi-species initiative called Animal Health Canada (AHC), which intends to develop a system wide collaborative mechanism to galvanize partners with a shared vision and objectives for an integrated approach to safeguarding animal health in Canada. AHC will deliver on the areas of action identified in Canada's Plant and Animal Health Strategy including 1) Coordination through Partnerships 2) A System Founded on Prevention and Defended through Effective Response and Recovery and 3) Collection, Analysis, and Sharing of Information.

Through a public private collaboration, and building upon and co-ordinating efforts, Animal Health Canada will achieve cohesion, maximize synergies, and minimize duplication and gaps in Canada's animal health system. Animal Health Canada will identify animal health priorities, including concrete actions for the near term, and work collaboratively with all partners to deliver on these shared priorities and actions.

### OIE for Negligible BSE Risk Status Application

CCA co-chaired an industry/government working group for Canada's OIE BSE negligible risk application. Stakeholders from each sector of the industry, including service providers such as feed mills and renderers, worked in partnership to provide the necessary data for CFIA to complete the OIE application which was submitted to OIE in advance of the July 31, 2020 deadline. Three rounds of questioning by OIE have been completed and no issues or response delays occurred. The submission is now sitting with the OIE Review Panel who will forward a recommendation to the OIE Council by March 2021 where a final decision will be provided in May 2021. The effort was a resounding success in industry government collaboration.

### Specified Risk Material (SRM) Review

CCA and CFIA have initiated a working group to review Canada's SRM removal. One of the review's objectives is to align Canada's SRM protocols to those in the United States. The working group will be focusing on key areas such as US-Canada Protocol Comparison, Public & Animal Health Considerations & Risk Modeling, and International Market Opportunity.

### 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.

Given the establishment of the US FMD Vaccine Bank and the known catastrophic devastation risk of an FMD outbreak in Canada, CCA has lobbied the Government of Canada to establish a Canadian FMD Bank. Formal discussions between CCA, CFIA and AAFC were launched in the fall of 2020 and work will 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. The projected annual cost for this a fully functioning FMD Vaccine Bank is \$3 million CAD.

### Animal Health Emergency Management (AHM) Response Plan

CCA is working closely with the AHM-II project to develop and test protocols to address gaps in several areas critical to the effective management of a serious animal disease outbreak. Activities also include doubling the number of provincial associations equipped with association-level animal health emergency plans and producer-level handbooks, and also supporting the development of



plans for national associations, all of which incorporate already developed national biosecurity standards. These efforts include the development of tools for industry partners to create awareness and understanding for their AHM plans and handbooks and begin the implementation process within their respective sectors, and finally, to develop a Continuing Education program for Foreign Animal Disease (FAD) recognition and response for practising veterinarians, working in collaboration with the Canadian Food Inspection Agency (CFIA) and engaging groups such as national, provincial and species-specific veterinary groups.

### Traceability

The ongoing COVID-19 pandemic has further delayed the gazetting of the proposed traceability regulations. CFIA now anticipates late summer or fall 2021 would be the earliest these regulations will be published in CG1.

CCA has pledge, along with our affiliate organizations, to implement livestock traceability in a cost effective and efficient manner without inhibiting commerce. CCA is a member of the Regulatory Implementation Committee led by CFIA and had been actively working with CFIA to ensure regulations adhere to the industry supported Cattle Implementation Plan (CIP) and to ensure definitions within the regulations accurately reflect industry expectations.

### Livestock Transportation

The proposed changes to Transportation of Animals regulations came into force on February 20, 2020 but a two-year transition period, specific to the feed, water and rest intervals was announced by Minister of Agriculture and Agri-Food Marie Claude Bibeau and CFIA in December 2019.

As the industry transitions and adapts transport times from the old regulations to the new regulations, the CFIA has stated it will focus its activities for feed water and rest times on compliance promotion through education and awareness measures for the first two years. This education approach will allow the CFIA and industry to continue to work together on effective solutions to identified concerns and for livestock sectors to implement any adjustments along with allowing time for transportation research that is currently underway to be completed.

The proposed changes have reduced the maximum time mature and fed cattle will be allowed to be in transit without feed and water from 52 hour to 36 hours and from 18 to 12 hours for ruminants too young to

be fed hay or grain. Changes to some definitions, rest stop duration and transfer of care requirements have also been proposed.

Proper animal care and welfare is paramount in the beef industry and producers are continually improving their practices and updating standards to ensure the best life possible for their livestock. Outcomes for transported cattle are very positive. Research conducted by Agriculture and Agri-Food Canada has found that 99.95 per cent of cattle on long hauls over four hours and 99.98 per cent of cattle on short hauls less than four hours reach their destination in good condition. Cattle producers want to ensure that any amended regulations do not inadvertently move this number farther away from 100 per cent.

The Transportation Beef Cattle Working group between industry and CFIA is ongoing. Key tasks include simplifying the record keeping components and consideration of standardized best management practice forms for regular transport, such as feedlot to processing. Rest stop infrastructure capacity continues to advance with a new privately-owned rest stop that has been built near Kapuskasing ON.

### Cross Border Livestock Health

CCA is an active participant of the Pacific North-West Economic Region (PNWER) cross border livestock health committee. A number of key priorities were once again established by the committee and provide guidance for industry and government engagement throughout the year. Key priorities for 2020 include:

- CFIA/USDA develop, in cooperation and consultation with livestock organizations, 'disease zoning and/or regionalization' agreements in writing that minimize trade disruptions between US and CAN, as well as with other major trading partners
- CFIA/USDA and all industry sectors to prioritize national EM preparedness planning
- Host regular meetings/exercises between industry leaders and CVOs at CFIA/USDA or trilateral meetings
- CFIA/USDA/Industry to discuss depopulation and disposal strategies and determine the delegation of responsibility between industry and government

One positive outcome is that E-certification has now been deployed to expand functionality of feeder cattle export certificates from Canada to emulate the 24-hour travel time available by multiple trucks on U.S. feeder cattle export certificates. The 2020 PNWER conference has been postponed due to the COVID-19 crisis. The conference has been rescheduled for August 15-19, 2021 in Big Sky, Montana.

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**Committee Members:** Pat Hayes, **Co-chair**, Reg Schellenberg, **Co-chair**, Grant Huffman, Ryan Scorgie, Miles Wowk, Jodi Flaig, Gord Adams, Mike Duguid, Matt Bowman, Craig McLaughlin, John MacDonald, Victor Oulton, Kirk Jackson, Rick Wright, **LMAC**, S. Hamilton, **YCC ex-officio**, K. Weston, **YCC ex-officio**.  
**CCA Staff:** Brady Stadnicki and Dave Moss

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## Domestic Agriculture and Regulations Committee

The Domestic Agriculture Policy and Regulations Committee deals with non-trade related regulatory issues, such as general government policy, safety nets and transportation regulations. It also makes representation to the government and works with other committees or groups on issues of mutual interest.

Over the past year with the emergence of the COVID-19 pandemic, the Domestic Ag committee has been focused on a number of important fronts in domestic agriculture policy in 2020. This includes lobbying for a Set-Aside programming through AgriRecovery to help manage reduced processing capacity and the subsequent backlog of cattle. Another priority has been working with western provinces to limit volatility under the WLPIP and expanding price insurance beyond western Canada, along with increasing support to provincial risk management programs. Finally, the committee spent considerable time analyzing the AgriStability program and lobbying federal and provincial governments to make improvements to the program.



### COVID-19 – Set-Aside Programs under AgriRecovery

At the onset of the COVID-19 pandemic, CCA lobbied for recommending the immediate reinstatement of a Set-Aside program that was implemented during the BSE era to address the challenges with beef processing capacity being created by COVID-19. On May 5, Minister of Agriculture and Agri-Food Marie-Claude Bibeau announced \$50 million in funding for a Set-Aside program through AgriRecovery, of which the Federal Government covers 60 per cent of costs and the provinces have the option to fund the remaining 40 per cent. Alberta, Saskatchewan, Ontario and Manitoba have implemented an AgriRecovery initiative in 2020.

On May 7, Alberta earmarked \$17.3 million under their AgriRecovery program, which had two components. First, the Fed Cattle Feed Assistance, a retroactive payment for cattle set aside from May 1 to June 30 and second, a bid Set-Aside process for cattle set aside starting June 29, 2020. On May 14, Saskatchewan announced up to \$5 million in additional funding under AgriRecovery for a bid Set-Aside program to help Saskatchewan livestock producers manage the impacts of COVID-19 related market disruptions.

On June 17, Ontario announced \$5 million in support for the creation of a beef cattle Set-Aside program for Ontario under AgriRecovery. With the COVID-19 related temporary shutdown of the Cargill plant in Guelph, Ontario implemented the Set-Aside program on December 21. On October 15, Manitoba and the federal government announced the Canada-Manitoba Finished Cattle Feed Assistance Program, which offered up to \$2.5 million for cattle producers impacted this spring and summer by closed processors and back-logged feedlots. This program utilized federally funding but was administered by the Manitoba government.

### Price Insurance and Ontario's Risk Management Program

CCA and its members have recognized the value of the livestock price insurance program as a risk management tool to cattle producers since its inception in 2009. CCA has supported price insurance going national and being available to all cattle producers across Canada. That started with the move to the Western Livestock Price Insurance Program (WLPIP) in 2012.

In early March when COVID-19 started to impact North America, extreme market volatility caused WLPIP premiums to increase significantly by about five times of the typical premium cost while insured indexes for calves also periodically dropped under \$2.00 per head. As a result, CCA spent considerable time working with AFSC, AAFC and western provinces on solutions to reduce premium costs in order for producers to utilize the program when they need it most. While there wasn't overarching program support announced, the Government of Saskatchewan did invest \$5 million to partially offset higher premium costs under the WLPIP and the Saskatchewan Cattlemen's Association (SCA) also contributed up to \$1 million. The Saskatchewan government covered 40 per cent of the increased premium costs, dating back to February 25, 2020, and the SCA

contribution offset an additional eight per cent of the COVID-19 impact on premiums. These premium rebates were scheduled to expire on December 31, 2020.

On May 14, an announcement was made to extend the deadline for obtaining calf price insurance across all WLPIP participating provinces from May 28, 2020 to June 18, 2020. Premium costs throughout the program did improve in the latter weeks of calf-contract availability which did help increase program uptake. CCA will continue to work with governments on improving the price insurance program design to ensure it can better handle the market volatility caused by events such as a global pandemic. CCA also remains vigilant in lobbying for price insurance to become a permanent program that is not dependent on renewal under each agriculture policy framework.

Considerable work continues on expanding the program beyond western Canada. A lack of risk management tools available in the maritime region, increases the price risk and limits the options for young producers in accessing financial support. Price Insurance, providing a floor price for a premium, would address some of the current challenges.

At CCA's 2019 semi-annual meeting, the Domestic Ag Committee passed a resolution that would support the development of a 5-year pilot of an Eastern Settlement Index that would be delivered in the Maritime provinces. The Eastern Settlement Index would consist of data from Ontario, Quebec and the Maritimes. CCA has advocated that administrative costs for the Eastern Settlement Index should be supported by governments and have the WLPIP federal backstop extended to include the eastern index.

In mid-June, the Beef Cattle Research Council approved funding for the Eastern Price Insurance project being completed by Kaastra Capital Corp. The project has two phases. The first phase will assess data availability for developing feeder and calf price indices utilizing data from Ontario and Quebec. The second phase will develop the feeder and price indices and complete a historical analysis. The goal of this project is to have everything in place for an administrator to take over in the spring of 2021. This will require the support of the Maritime provinces to proceed and be committed to delivering Eastern Price Insurance. CCA and Maritime provinces are continuing to work in parallel on those policy efforts.

The Government of Ontario also announced on July 16 that they would provide an additional \$50 million investment into the Ontario Risk Management Program (RMP). This has been welcomed news for Ontario beef producers who have been negatively impacted by processing capacity shortages along with volatility caused by COVID-19.



### Business Risk Management Review and AgriStability Reform

COVID-19 has presented significant challenges to Canadian cattle producers such as temporary processing plant shutdowns and extreme market volatility. As the year unfolded, mother nature has also created challenges for many producers ranging from significant flooding in some regions to drought like conditions in others. It is abundantly clear that access to well designed and sufficiently funded business risk management (BRM) tools has never been more critical for cattle producers and the Canadian food system.

Since 2018, federal and provincial governments have been conducting a comprehensive review of BRM programs. CCA has continued to advocate for enhancements to the AgriStability program, including the removal of the reference margin limit (RML), increasing the \$3 million payment cap, increasing the trigger to 85 per cent of the reference margin and increasing the program's compensation rate. Some of these enhancements have been enacted in individual provinces for the current program year including British Columbia and Prince Edward Island, but other provinces have not yet moved on program changes.

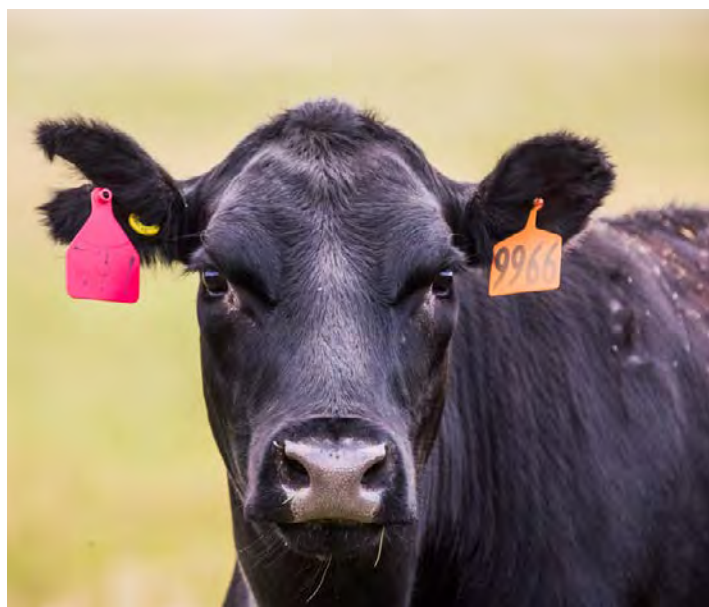
In order to bring more tangible evidence to federal and provincial governments that demonstrate why these program changes are needed, CCA partnered with the Alberta Cattle Feeders' Association, Beef Farmers of Ontario and Maritime Beef Council to develop a number of AgriStability models on western and eastern Canadian operations with Myers Norris Penny to show the impact of reference margin limiting, trigger percentages and payment caps.

The models clearly demonstrated that the RML unfairly limits many cow-calf producers reference margin under the program. These farms require a much deeper, if not devastating, drop in production before the program provides support. As a result, equity, predictability and fairness would be improved for the cow-calf sector if the RML is removed.

For larger feedlots, AgriStability payments cap out at \$3 million very quickly, leaving a feedlot of this size exposed to potential losses in the tens of millions of dollars when facing depressed markets as experienced during COVID-19. The current \$3 million cap on AgriStability payments has not changed in approximately 15 years. Yet, there has been a 47 per cent increase in the consumer price index, a 50 per cent increase in the average annual price for finished cattle, and a 70 per cent increase in feedlot input costs. The restoration of the payment trigger to 85 per cent of the reference margin or an increase to the compensation rate would also make the program more responsive to significant drops in farm margin and better support the viability of both cow calf operations and feedlots.

CCA had the opportunity to testify before the House of Commons Standing Committee on Agriculture and Agri-Food in June where Domestic Ag Co-Chairs Charlie Christie and Rob Lipsett presented key recommendations on BRM programs that will improve equity and effectiveness for beef cattle producers. The Agriculture Committee's released their BRM report in November and CCA was pleased to see a number of its recommendations on AgriStability, price insurance, Advance Payments Program and Livestock Tax Deferral adopted by the Committee.

Federal, Provincial and Territorial Ministers of Agriculture had their annual meeting at the end of November. As the meeting concluded, Federal Minister Marie-Claude Bibeau announced that the Government of Canada is prepared to make enhancements to the AgriStability program. In particular, the proposal tabled by Minister Bibeau to provinces and territories included the removal of the Reference Margin Limit (RML) and an increase to the compensation rate from 70 per cent to 80 per cent. Both are intended to apply retroactively to the 2020 program year.



The Minister also mentioned that the federal government is prepared to consider other program enhancement options.

Minister Bibeau acknowledged there was not national consensus among Ministers to agree upon and implement the AgriStability proposal as the provinces needed additional time to reflect and respond. While the proposal did not include everything CCA lobbied for, CCA supports the proposed enhancements and believes they will significantly improve the program for cattle producers. CCA will continue to engage with federal and provincial governments alongside our provincial members to seek national agreement on the AgriStability proposal.

### Agriculture Labour

Labour shortages at the farm level and in beef processing have significantly limited the growth opportunities and overall competitiveness of Canadian beef producers. A recent report from the Canadian Agricultural Human Resource Council (CAHRC) indicates the Canadian beef cattle sector reported \$334 million in lost sales due to unfilled vacancies on farms, ranches and feedlots. According to the CAHRC report, which examines workforce issues in the agricultural sector to 2029, current chronic workplace shortages in the beef sector compounded by high rates of retirement will result in beef producers experiencing the second largest decline in labour supply within agriculture over the forecast period.

CCA continues to work collaboratively with agriculture and food industry stakeholders on a number of fronts to increase the skills and labour supply of workers in agriculture and food processing.

On May 15 the Government of Canada launched its Agri-Food Immigration Pilot. This pilot is intended to provide pathways to permanent residency for workers employed in primary beef production today. CCA is hopeful that the Agri-Food Immigration Pilot program will help put the industry on the path to resolving the labour gap by helping to ensure we have more workers in beef processing plants and at the farm level, along with providing workers with the opportunity for a pathway to permanent residency. The pilot will include spots for 2,750 full time, non- agriculture and agri-food workers annually.

**Committee Members:** Charlie Christie, **Co-Chair**, Rob Lipsett, **Co-Chair**, Ryan Scorgie, Jodi Flaig, Stuart Somerville, Pat Hayes, Lynn Grant, Tyler Fulton, Jack Chaffe, Nathan Phinney, John MacDonald, Philippe Alain, Rick Wright, **LMAC**, Carley Henniger, **YCC ex-officio**, Martin Clausen, **YCC ex-officio**. **CCA Staff:** Brady Stadnicki



## Environment Committee

The challenge of COVID-19 has had its impact on CCA-to-government engagement 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. Of course, we aim to counter the negative public misunderstandings related to these beef and environmental issues and liaise with CCA Public and Stakeholder Engagement team on that front. Across 2020 we continued to engage the federal government on a number of key files with an environmental focus seeking meaningful consultation and community-led and managed engagement to achieve positive outcomes.

### Fisheries Act & DFO Aquatic SAR Recovery Plans

CCA has committed to consultations with the Department of Fisheries (DFO) on the regulatory development around the Fisheries Act. As well, CCA continues to engage with Parliamentarians, Senators, and government officials concerning the Fisheries Act. The Act received Royal Assent in June 2019 prior to the regulations being developed. The DFO pledged to consult with stakeholders on the development of standards, codes of practice, and prescribed works regulations. This process will continue out until 2023 if not beyond.

DFO has developed six interim codes of practice, without lead consultations, and we have provided initial feedback on these codes before they are to be finalized soon. Two of these codes raised concerns including beaver dam removal and culvert maintenance. CCA has drafted and submitted to DFO alternative text and recommendations and have sought clarity from DFO on the beaver dam removal code. To date, there has been no response.



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.

Despite promises for robust and meaningful consultations with industry on this file, DFO has been slow to implement direct contact and consultations. However, in late December 2020, DFO launched their next phase of engagement with stakeholders, so we do remain hopeful this process will bear fruit in the coming weeks and months.

### SARPAL 2

In August, CCA learned the Federal Minister of Environment Jonathan Wilkinson indicated Environment and Climate Change Canada (ECCC) would commit funding to the next version of SARPAL. CCA was encouraged that we had achieved this milestone and reached out to ECCC to get started on drafting a contribution agreement in order to get funding streams running and boots on the ground. Unfortunately, progress halted at the most senior ECCC levels to draft a template and share how they sought to conduct SARPAL 2.

At the end of September, we received a template and more information, including news that SARPAL 2 would be substantially different from the former version. ECCC is placing significant emphasis on the priority species at risk in southeastern Alberta and southwestern Saskatchewan, namely Greater Sage Grouse (GSG) and less so on a multiple-species approach seen in the former SARPAL program. This translates into a split program; one aspect being the usual approach working on the ground with ranchers on habitat conservation strategies, and other habitat protection and enhancements.

The new second aspect is ECCC's desire to test the waters on term conservation easements with landowners specifically to enhance/protect GSG habitat. After further revisions and communications with ECCC, on December 2, 2020, CCA submitted the draft work plan. At time of writing, negotiations on the contribution agreement continue with ECCC staff.



### TESA Enhancements

This year marks the 25th anniversary of CCA's The Environmental Stewardship Award (TESA). To celebrate this milestone, significant enhancements are being undertaken. These will not mark the occasion but increase the profile of the award, regional interest in getting nominees and a general awareness among politicians, bureaucrats and the general public regarding the significant stewardship activities of Canada's beef cattle producers as well as the environmental benefits of beef cattle production in the Canadian context.

Enhancements include a revised and expanded communication strategy, alignment with conservation groups as foundational champions of the award and bolstering the judging structure, process and revisions to the eligibility for nomination to better include certain regions of the country. These enhancements will be complete in the first quarter of 2021.

### National Grassland Task Force

In early 2020, the Canadian Wildlife Federation, Canadian Parks and Wilderness Society and ECCC had been discussing the potential to create a national grassland task force with the aim of protecting this endangered ecosystem. CCA staff attended the first briefing session in November. It was noted that the primary entities invited to this session were mostly environmental non-governmental organizations, indigenous organizations and civil servants.

Noting the lack of agricultural representation, CCA requested beef producers be added to this task force understanding beef producers in Canada manage over 44 million acres of grasslands. It was agreed to include producers and Environment Committee (EC) members Lynn Grant and Miles Wowk agreed to be members on this task force and report back to the EC.

### PMRA Strychnine Decision

At the EC meeting during the 2020 CCA Annual General Meeting, the EC outlined Health Canada's Pest Management Regulatory Agency's (PMRA) re-evaluation decision to cancel the registered use of strychnine for the control of Richardson's ground squirrels. In submissions, CCA had made its case noting the science used to back PMRA's decision was likely flawed. With the decision rendered, the PMRA allows those who oppose the decision to file a formal Notice of Objection. The notice, however, can only deal with scientific issues.

CCA, in concert with the Canadian Canola Grower's Association (CCGA), the Saskatchewan Association of Rural Municipalities (SARM) and the Saskatchewan Stock Growers (SSGA) rallied to share ideas and build individual yet aligned messaging in the Notices of Objections filed to PMRA. CCA also co-signed a letter with SARM, SSGA, Saskatchewan Cattlemen's Association and CCGA to Minister of Health Patty Hajdu noting the research cited does not support PMRA's final decision and in

fact, the research shows strychnine to be the most effective and safest way to control these pests. PMRA has yet to render a response on the registration cancellation.

**Committee Members:** Duane Thompson, **Chair**, Miles Wowk, **Vice Chair**, Grant Huffman, Doug Sawyer, Stuart Somerville, Lynn Grant, Reg Schellenberg, Mike Duguid, Gordon Adams, Craig McLaughlin, Holly Thompson, **YCC ex-officio**, Kate Barnett, **YCC ex-officio**.

**CCA Staff:** Larry Thomas



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## Food Policy Committee

CCA's Food Policy Committee (FPC) enters its second year.

In 2019, CCA identified several food policy issues as priorities and thus the Food Policy Committee was born. Despite the disruptions of a global pandemic, the Committee made headway on various mandates including front of pack labelling, alternative proteins, food waste and more in 2020. The mandate of the FPC is to ensure federal food policy and food innovation supports Canadian beef as a strong, safe, and sustainable food choice for Canadian consumers.



**Amid the rise of new plant-based food options, meat dishes still top food trends. Pictured here a birria taco. Birria is a traditional Mexican dish where meat is braised for hours with chiles and spices.**

This year has been tumultuous and has required a redirection of resources on so many fronts. This has impacted FPC work, with delays in planned government timelines, a new schedule for the House and Senate as they learn to work remotely, and a Parliamentary prorogation. On the industry side as well, CCA staff and our stakeholders have been working hard to address the ongoing and disruptive nature of COVID-19.

Finally, the FPC Committee witnessed a change in staff support and welcomed Lauren Martin in October 2020 as the new staff lead, replacing Jennifer Babcock. Despite all the changes, FPC's second year was productive. As stated in Committee's Terms of Reference, FPC's duties and responsibilities include:

- Overseeing Government of Canada consultations related to food policy, including the Safe Food for Canadians Act / Regulations
- Developing food policy positions for CCA and communicating with government and interested stakeholders

- Food Guide and Policy lobbying and stakeholder communication on the many nutritional benefits of Canadian beef
- Stakeholder (partner) relationship management within the food and meat policy community
- Food labelling
- Food Waste
- Alternative and cell-cultured protein policy oversight
- Providing policy support to Public and Stakeholder Engagement and Canada Beef in their food and meat marketing, education, and communication efforts
- Meat inspection and grading, including instrument grading and new grading technologies
- Providing a forum for new food innovations

Here are a few key updates from the past year:

With respect to building relationships; CCA has been strategic about building government and stakeholder relationships. Staff meet regularly with officials within Health Canada, Canadian Food Inspection Agency (CFIA), Agriculture and Agri-Food Canada (AAFC), and Environment and Climate Change Canada (ECCC). Politically too, staff have made in-roads across party lines and meet with key stakeholders in the agriculture space frequently. Regarding stakeholders, creating partnerships among protein producers is an area of ongoing work. CCA considers Canada Beef, the Canadian Meat Council and the Canadian Pork Council partners in food policy work and this has been key in creating consistent messaging. Internally,

CCA staff have created a Food Task Force to work across the industry (both nationally and internationally) to have a cohesive and collaborative outward approach. Members include the Public and Stakeholder Engagement Team, Canada Beef and the Canadian Roundtable for Sustainable Beef (CRSB). Identifying areas of alignment with a broader group of protein producers such as chicken, egg, sheep, pulses and soybeans is an area for work in 2021.

Food waste is one component of CCA's overall sustainability efforts. Already, beef producers have many processes in place to reduce food waste but there is a further opportunity to conduct research to identify instances of food waste along the supply chain and what opportunities exist to reduce it. FPC's work in this area is in collaboration with the CRSB, the Beef Cattle Research Council (BCRC), and others. In November 2020, Agriculture and Agri-Food Canada (AAFC) announced a Food Waste Challenge. AAFC's Food Waste Challenge is a multi-million-dollar investment that will award funding



to innovative solutions that have the potential of reducing the most amount of food waste. This is an opportunity for CCA members, and FPC is poised to support member applicants.

The FPC is active in addressing issues related to alternative and cell-cultured protein policy and government regulations and monitors global trends for indications of where we see these policies shifting in the future.

Of particular note, in fall 2020, the Canadian Food Inspection Agency (CFIA) launched a consultation on the proposed changes to its Guidelines for simulated meat and simulated chicken. CFIA sought responses to proposed updates which included some modernizing of the simulated meat and simulated poultry products as well as new guidelines for certain plant-based protein foods. The updates are intended to provide consumers with information to make informed buying decisions and to clarify for Canada's food industry what constitutes simulated meat or poultry products.

CCA formalized a response, supported members and stakeholders in their responses, and worked with industry partners to ensure an aligned message. CCA's position is that the proposed guidelines do not encourage clarity principally because the term 'meat' is used to describe these products throughout. Consumers are free to make their own consumption choices, but it should be clear to them what choice they are making. Advocating for the removal of meat nomenclature for non-meat products, and further clarity for the consumer, will continue to be an FPC priority for 2021, an opportunity exists for CCA to take a leadership role.

Front-of-package labelling was also prominent for FPC in 2020. Health Canada is proposing amendments to the Food and Drug Regulations to require a front-of-package nutrition symbol on foods high in saturated fat, sugars and/or sodium and ground beef is not exempt; a decision that is not based in science. CCA is advocating for a full exemption and has been working with partners, including Canada Beef, to achieve this policy outcome.

CCA has worked on various government food policy initiatives, including the Food Policy Advisory Council. The Council reports directly to the Minister of Agriculture and Agri-Food, serving as a diverse advisory function. The Council's creation is in recognition of the collaboration necessary to make meaningful progress on the more complex challenges facing the food system. CCA appointed an FPC member to the Council and an announcement was expected in early 2020. Timelines have been delayed and CCA is actively monitoring for the outcome.

Looking to the future, FPC will lead CCA in preparing for the United Nations' Food Systems Summit, taking place fall 2021. The Food Systems Summit is part of the decade of action to deliver the UN's Sustainable Development Goals (SDGs) by 2030. The decade of action was called

for by world leaders at the 2019 UN General Assembly to accelerate efforts towards the achievement of the SDGs. As this is the first World Food Summit in 25 years, this global event is expected to influence international dialogue and domestic policy. A key concern of Canadian beef producers is the forum's focus on reducing meat consumption, particularly red meat, for environmental and health reasons.

There are nutritional and environmental benefits to the production of beef and CCA's goal is to ensure these facts are part of the dialogue. CCA will be working through its international partners to advance its objectives.



**Committee Members:** Co-Chair: Kirk Jackson, Co-Chair: Cathy Sharp, Sheila Hillmer, Ryan Beierbach, Ryan Scorgie, Matt Bowman, Nathan Phinney, Evan Chaffe, YCC ex-officio, Joyce Parslow, ex-officio; and Amie Peck, ex-officio. **CCA Staff:** Lauren Martin

## Foreign Trade Committee

Agri-food trade and beef trade specifically, was anticipated to be positive this year with the recently negotiated access through various trade agreements and regained technical access. However, COVID-19 brought forward unforeseen challenges that tested the capacity of Canadian beef processors.

Compared to last year, 2020 annual exports were down three per cent in volume and up 1.2 per cent in value. Given the impressive recovery of trade in the second half of 2020 Canadian beef export value hit another record high this year which has been the trend since 2016.

Key factors to watch in the coming months and years in the global trade of proteins include; African Swine Fever's impact on protein supplies, the U.K. exit from the European Union and subsequent trade deals, the World Trade Organization (WTO) and its ability to maintain orderly trade, COVID-19 related support programs and their lingering impacts on trade and the continued impact of COVID-19 on processing capacity and consumers incomes.

### Value of Beef Exports 2020

Country	December 2020	2020 as % 2019	% of Total Beef Exports
USA	\$2,457,486,040	5.3%	75.5%
Japan	\$304,591,803	-13.9%	9.4%
Mexico	\$127,498,889	-16.7%	3.3%
Hong Kong & Macau	\$155,903,188	-29.7%	3.4%
China	\$102,497,273	-1.6%	3.1%
South Korea	\$45,101,433	5.3%	1.4%
Taiwan	\$18,227,425	-16.4%	0.6%
EU (CETA)	\$32,744,619	15.8%	1.0%
Other	-\$3,903,317	-14.8%	-0.1%
Total	\$3,256,921,279	1.2%	100.0%



CCA's Fawn Jackson, Director of Government and International Relations and Trade Committee Chair Doug Sawyer presented to the Senate Trade Committee March 12, 2020.



CCA's Fawn Jackson, Director of Government and International Relations and President Bob Lowe present to the House Trade Committee on February 18, 2020.

In December 2019, the United States (U.S.) Administration reached agreement with Congress on the Canada-United States-Mexico Agreement (CUSMA) and this agreement was confirmed to be acceptable to both Canada and Mexico. This cleared the path for the U.S. House to pass the Agreement prior to Christmas and to be passed by the Senate in January. Canada passed the bill through our legislative processes through a cross party effort in an expedited manner as COVID-19 entered into Canada in March. This enabled CUSMA to enter into force on July 1, 2020 and was a welcome continuation of trade stability between the three nations. The leadership of the national cattle organizations of CCA, National Cattlemen's Beef Association (NCBA) and Confederacion Nacional de Organizaciones Ganaderas (CNOG) met via video conference on July 1 to celebrate the coming into force of the new trade agreement and sent a joint letter to the leadership of our three countries recognizing this achievement.

One of the key priority areas for the CCA during the re-negotiation process was to enable further regulatory cooperation across the border, while these were not achieved explicitly within the text, the processes to move such regulatory reform forward were. The CCA will continue to advocate for regulatory cooperation.

Importantly *Mandatory Country of Origin Labelling* (mCOOL) was kept out of the new NAFTA; however, mCOOL supporters continue their efforts to reinstate the discriminatory market effects in one form or another and the CCA continues to work with allies on this issue.

Throughout COVID-19 the Canada-U.S. border remained open to essential business travel, but restrictions were put in place for non-essential travel. While at the start of the new border rules there was some confusion, cross border trade continued operating without significant challenges. CCA worked in partnership with the Government of Canada to produce information regarding trade across the Canada-U.S. border. E-Certification is fully underway in ports in Manitoba as well as Ontario and CFIA is currently in discussions with producers in Alberta for trial processes.



**Zoom meeting with the Honourable Jim Carr, Special Representative for the Prairies, for the CCA international trade fly-in fall 2020.**

### **The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)**

The CPTPP is a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. CPTPP came into effect amongst Canada, Japan, Australia, New Zealand, Singapore and Mexico on December 30, 2018. Vietnam became the seventh to implement on January 14, 2019. For the remaining signatories, Chile, Malaysia, Peru and Brunei, ratification is not anticipated within a short timeframe, however once they do ratify the CPTPP will enter into force 60 days after their ratification.

The access into Japan with the tariff dropping from the original 38.5 per cent to 26 per cent in 2019 was a leading factor in Canada's 2019 beef export success. Tariffs will be reduced to nine per cent within 15 years (2033). CCA is actively advocating for further expansion of the CPTPP subject to review of specific country barriers and potential for beef trade. As we expect the Asian region to hold the largest potential for growth in beef demand over the next 25 years, securing further access to key Asian markets is a priority. CCA is supportive of the economies of Taiwan, South Korea and Thailand moving forward in the accession process of the CPTPP. Interestingly China has indicated that it may be interested at some point in joining the CPTPP, the United Kingdom (U.K.) has also been vocal as of late of its interest in joining CPTPP.



**Alberta Beef Producers January 2020 with the Honourable Jim Carr.**

### **Korea**

January 2020 marked the five-year anniversary of the Canada-Korea Free Trade Agreement and the sixth of 15 annual tariff reductions. In 2020, beef exports to South Korea at \$45.1 million were up 57 per cent from 2014 (\$25.8 million), however a number of challenges remain with exporting to the South Korean market and are limiting export potential. For example, in 2021, the beef tariff for Canada is down to 21.3 per cent and will be eliminated by 2029, we are behind the United States currently at 13.3 per cent and Australia at 18.7 per cent. Furthermore, all beef and offals must be from animals under 30 months of age while this type of restriction has been lifted in other markets such as Japan. CCA continues to encourage high prioritization be placed on harmonizing Canadian and American shipping requirements to South Korea and the removal of the American requirement for segregation; this has become even more important with COVID-19. CCA has actively engaged with stakeholders to advance Canada's priorities and will continue to do so until resolved.



**CCA President Bob Lowe meets with Ambassador Maeng-ho Shin at the five year celebration for the Canada-Korea Free Trade Agreement.**

### **China**

Ten years ago, Canada exported no beef to China. From the commencement of exports in 2012, China grew steadily to become our fifth largest market in both 2017 and 2018. If it had not been for the suspension of trade in June 2019, China would have been neck in neck with Japan to be our second largest beef export market that year. Averaging \$9.76/kg, in 2020 China is behind only the EU in value per kilo of beef exported. By any measure, China is a valuable market for Canadian beef producers and exporters.

The challenge is whether Canadian producers can rely on predictable uninterrupted access to China. The Canada-China relationship continues to be tense with the continuation of Meng Wanzhou making her way through the Canadian judicial system and with China holding the two Michaels. In June 2020 China requested increased commitments from agri-food exporters around the world that their products are free of COVID-19. Food researchers globally have maintained that the risk of COVID-19 spread on food is extremely low. Alongside this request for commitment letters China



also temporarily suspended shipments from Cargill's High River plant in Alberta. Cargill High River is amongst numerous plants around the world that have been put on a temporary suspension list. Other plants were from Brazil, Argentina, Germany, the U.K., Denmark, the Netherlands, Italy and the U.S. The suspension for Cargill has yet to be lifted while it has been lifted for many of our international competitors.

In 2019 the export licenses of Canadian genetic companies to export Canadian livestock genetics to China were not renewed. China has recently undertaken virtual audits with Canada with the facilities however the results of the audits have yet to be finalized.

While Canada and China currently have a complicated relationship, CCA will continue to collaborate with colleagues and partners such as the Canadian Meat Council and the Canadian Pork Council to ensure that we are well positioned to serve our important customers in this market well into the future.

## Europe

The Comprehensive Economic & Trade Agreement (CETA) came into provisional effect in September of 2017 and since then beef exports to and from Europe have grown. Using beef trade data from Agriculture and Agri-food Canada, the overall Canada-EU beef trade deficit (including the U.K.) was \$0.5 million in 2018, \$17.3 million in 2019 and an astounding \$96.8 million for 2020. Needless to say CCA is significantly concerned with how beef trade with the EU has progressed.

CCA continues working on a number of proposals with the CFIA aimed at facilitating the eligibility of Canadian cattle for export to the EU, a key limiting factor to increasing exports to Europe.

Chiefly we are seeking expanded certification options for these cattle whereby other recognized audit bodies could certify the eligibility of cattle for the EU in lieu of a producer utilizing a veterinarian authorized by the CFIA. In the meantime, CFIA has increased the number of authorized vets.



**CCA and ABP met with International Trade Parliamentary Secretary Rachel Bendayan on January 28, 2020 and discussed how to improve access to Europe for Canadian beef.**

## The United Kingdom

The U.K. left the European Union (EU) at the end of 2020, which led Canada and the U.K. earlier in the year to pursue an interim agreement to transition between the Comprehensive and Economic Trade Agreement (CETA) and a future Canada-U.K. free trade agreement (FTA). On December 9, 2020, Canada and the U.K. signed the Canada-U.K. Trade Continuity Agreement (TCA) and are currently work towards ratification in early 2021. Under the agreement Canadian beef will have 2,311 tonnes cwe of fresh and 968 tonnes cwe of duty-free access in 2021 and 2,708 tonnes cwe for fresh and 1161 tonnes cwe of frozen access in 2022. All beef exports must be hormone free. Total access in 2021 is 3,279 tonnes cwe and 3,869 tonnes cwe in 2022. This is in addition to the access currently attained under CETA.

As the agreement was not ratified and implemented by January 1, 2021 Canada and the U.K. agreed through a Memorandum of Understanding (MoU) to apply tariff benefits on a reciprocal and provisional basis until the TCA enters into force. This Remission order will extend tariff benefits equivalent to those in the CETA that are replicated in the TCA.

Since it became clear that the U.K. would be exiting from the EU, the CCA has shared its key priorities for beef trade between the two nations with the Government of Canada earlier this year.



**Doug Sawyer presenting via zoom to the House Committee on November 27, 2020.**

CCA has consistently communicated concern with trade obstacles being carried over from the CETA to the Canada-U.K. transitional agreement and the future trade agreement with the U.K.

CCA recognized the Government of Canada's efforts to maintain uninterrupted market access into the U.K. by pursuing an interim agreement to transition between the CETA and a future Canada-U.K. free trade agreement (FTA) however has maintained that CCA's highest priority is on achieving a long-term FTA with the U.K. that resolves trade barriers that continue to exist. CCA is 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. Despite the growth of Canada's beef exports to the EU and the U.K. in recent years, the full potential of Canada's negotiated access under CETA has not been realized due to technical trade obstacles. CCA continues to actively engage the Government of Canada to resolve the trade

limiting factors both in CETA as well as within the interim arrangement with the U.K. Canada exported 1,584 tonnes pwe valued at \$18.8 million to the U.K. in 2019 and 1,415 tonnes pwe valued at \$17.6 million in 2020. While Canada imported 2,962 tonnes valued at \$15.8 million from the U.K. in 2019 and 5,393 tonnes valued at \$31.5 million in 2020.

It is imperative that the beef industries in Canada and the U.K. can equally benefit from and grow this trade relationship. This will be CCA's focus for future trade agreements.



Members of the International Beef Alliance meet at NCBA Convention

### International Cooperation

CCA continues to be involved in a number of international collaborations including the International Meat Secretariate, the International Beef Alliance and the Global Roundtable for Sustainable Beef where we are able to work with our international peers. A key issue of common interest is the functioning of the World Trade Organization (WTO). In June, Prime Minister Trudeau participated in a virtual meeting of the Canada-led Ottawa Group on WTO reform in the context of COVID-19. In November Minister Ng Minister of Small Business, Export Promotion and International Trade, hosted a virtual ministerial meeting of the Ottawa Group on WTO where the topic of the importance of keeping agri-food markets open and predictable was discussed. Both CCA and the Canadian Agri-Food Trade Alliance continue to be engaged in discussions on WTO reform.

During COVID-19 200+ export restrictions were adopted by 93 countries: in July of 2020, the Ottawa group released its first iteration of an Action Plan seeking commitments to unwind export restrictions and other trade distorting measures, notably singling out agri-food trade and "unwinding of export restrictions".

A key concern for the CCA continues to be that the panel and appeal functions of the WTO Dispute Settlement system are no longer functioning due to the failure of WTO members to agree to appoint new members to the Appellate Body. The CCA has lived the importance of the

WTO through the mCOOL case and is continuing to communicate with the Government of Canada and other stakeholders the importance of finding solutions.

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**Committee Members:** Co-chair: Reg Schellenberg,  
**Co-Chair:** Doug Sawyer, David Haywood-Farmer, **Past President,** Cathy Sharp, Charlie Christie, Sheila Hillmer, Duane Thompson, Lynn Grant, Ryan Beierbach, Tyler Fulton, Rob Lipsett, Jack Chaffe, Philippe Alain, Jessica Sperber, **YCC ex-officio,** Ron Glaser, **Canada Beef,** Michael Latimer, **CBBC,** Rick Wright, **LMAC.**  
**CCA Staff:** Fawn Jackson and Dennis Laycraft

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## Canada Beef

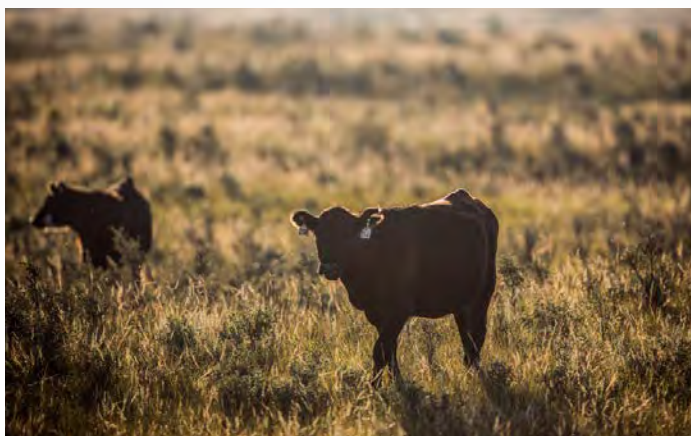
As the marketing division of the Canadian Beef Cattle Research, Market Development and Promotion Agency, Canada Beef is the cattle producer-funded and run organization responsible for domestic and international beef and veal market development. It has 24 staff in offices in Canada, Japan, China, Taiwan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



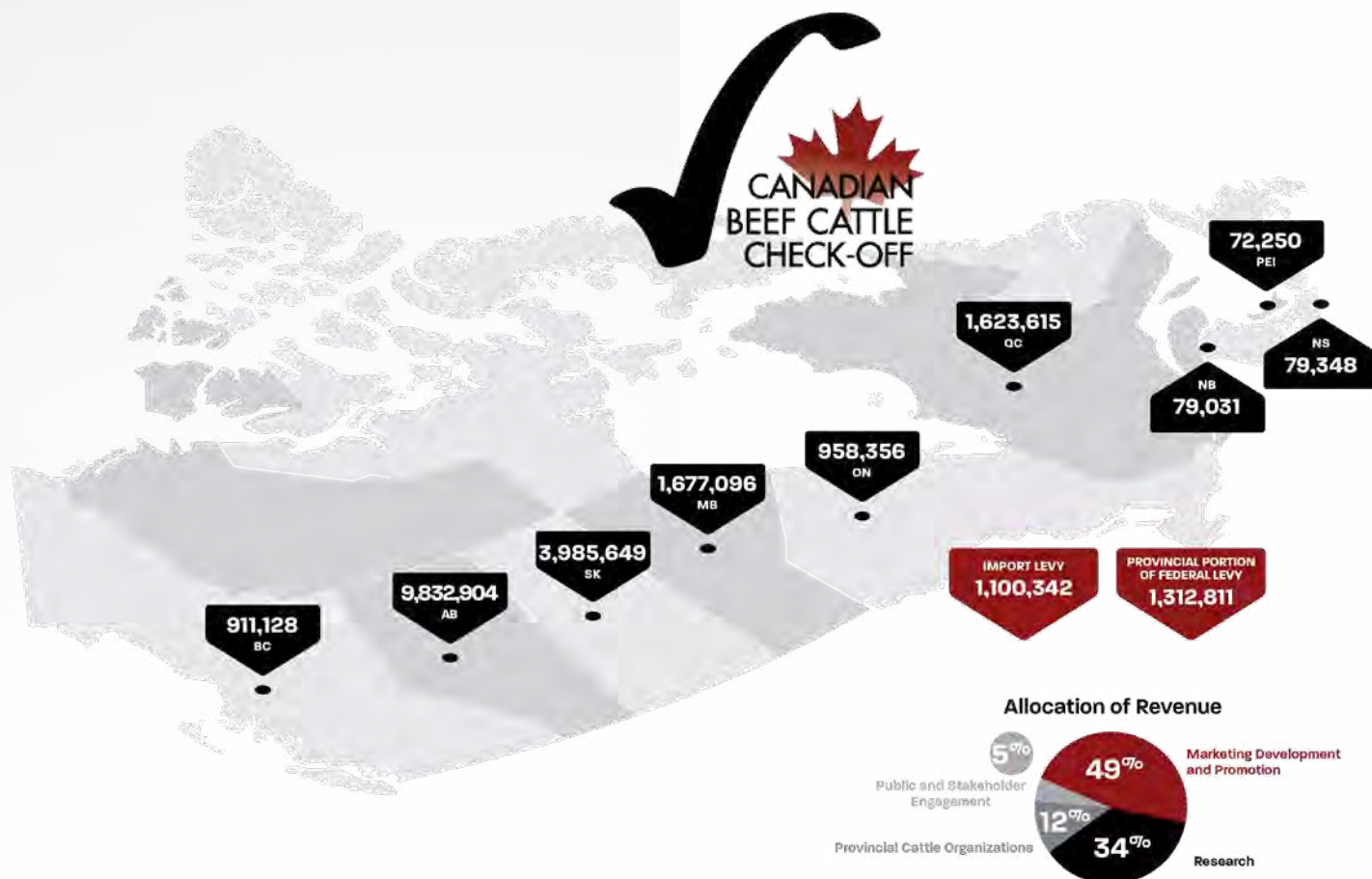
**Chad Ross, Chair, Canadian Beef Check-Off Agency**

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 Organization 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.

## Cattlemen's Young Leaders Mentorship Program

Established in 2010, the Cattlemen's Young Leaders (CYL) Mentorship Program is a national youth initiative of the Canadian Cattlemen's Association, which annually pairs participants with a mentor in their specific area of interest in the beef industry and provides networking and travel opportunities tailored for personal and professional growth. Young beef enthusiasts between the ages of 18-35 can apply for the program which has seen over 120 graduates since it was established.

The CYL Program saw a number of changes to the way opportunities were offered throughout 2020 to adapt to the challenges of COVID-19. Program year highlights included the annual National Western Stock Show trip, an extended program year for 2019 CYL participants, as well as new ways to engage with participants and sponsors virtually through a webinar series.

On the annual CYL and Young Cattlemen's Council trip to Denver in January 2020, CYL's Robyn Unrau, Lacey Tillotson, Kimberly Lansdall and Haley Scott participated in tours of Colorado's agriculture industry while taking in the National Western Stock Show. The tours included stops at the Greeley JBS Packing plant, Five Rivers Feeders and the Anheuser-Busch brewery and barley research centre.

The effects of COVID-19 drastically impacted 2019 CYL participants' ability to take full advantage of travel, networking and mentorship opportunities provided through the program.

For example, the annual CYL Spring Forum, which traditionally includes industry tours and skill building training opportunities, was cancelled. As a result of limitations to peer and industry networking opportunities and travel, the 2019 CYL Program year was extended, where participants who were originally set to graduate in August at the Canadian Beef Industry Conference, will now be graduating in August 2021.



The purpose of this extension was to provide participants with more time to use their \$2,000 individual budgets, with a goal of allowing them to attend an in-person Spring Forum and the Canadian Beef Industry Conference in 2021 while creating additional opportunities to meet face-to-face with their mentors. This creates two groups of CYLs for the 2020-2021 program year.

On August 10, 2020, the annual CYL Selections event to hand pick the new group of 2020 CYL participants shifted to a virtual event, where semi-finalists participated in judged roundtable discussions about timely topics in the beef industry using Zoom breakout rooms.

We are very excited to see how each of these mentorships progress throughout the upcoming year.

The 2020 mentee and mentors are as follows;

Andrea van Iterson (*Fawn Jackson*)  
 Laura Code (*Lee Sinclair*)  
 Aydon Almberg (*Dave Solverson*)  
 Iva Harberg (*Kim Ominski*)  
 Claye Harsany (*Mathieu Paré*)  
 Dave Slingerland (*Dave Kasko*)  
 Mackenzie Argent (*Nicole Zeni*)  
 Katie-Jo Stehr (*Sheila Hillmer*)  
 Kaylee Chizawsky (*John Lawton*)  
 Scott Gerbrandt (*Brent Difley*)  
 Matt Hildebrandt (*Steve Kenyon*)  
 Sarah Jensen (*Bryan Thiessen and Stuart Thiessen*)  
 Laura Plett (*Martin Unrau*)  
 Charlene Yungblut (*Matt Bowman*)  
 Grace Kuhl (*Crystal Mackay*)  
 Greg Stavert (*Dean Manning*)



**CYL's Kathleen Holweger with her Mentor, Duane Thompson, at the 2020 Saskatchewan Beef Industry Conference.**







*CYLs and YCC delegates touring Five Rivers Feeders on January 16, 2020 during the annual National Western Stock Show trip to Denver, Colorado.*

2020 also marked the 10th anniversary of the CYL Program.

A special celebration was held at the virtual Canadian Beef Industry Conference on August 11, 2020 with a video presentation reflecting on the success of the program over the past ten years by highlighting sponsors, mentors and graduates.

The Program has been hosting a webinar series with sponsors to deliver content to CYLs, while still offering sponsors a way to interact with participants throughout the year. Topics covered in 2020 included learning about precision agriculture technology applications in forage equipment with New Holland, creating an ideal herd health protocol with Zoetis, succession planning with Farm Credit Canada, government relations training with the Alberta Cattle Feeder's Association (ACFA) and business risk management tools with MNP. We look forward to continuing to work with our other program sponsors to host more webinars in 2021.

In 2020, the CYL Program was excited to welcome RBC Future Launch and Alltech as Gold level sponsors. In addition, Cargill renewed their Foundational Partner sponsorship and provided additional support to the CYL Program through Cargill's corporate grant matching program. McDonald's Canada has also renewed their Foundational Partner sponsorship. CYL participants also received free Verified Beef Production Plus (VBP+) online training thanks to the generosity of VBP+.

Funding for the CYL Program is made available through its Foundation Partners Cargill, MNP, McDonald's Canada and Zoetis. The Program also receives support from Gold Sponsors Farm Credit Canada, New Holland, Alltech and RBC Future Launch, along with program sponsorship from the Alberta Cattle Feeders' Association. CCA and CYL Program participants are extremely grateful for the support received by these generous partners.

We look forward to expanding the program and creating more young leaders for the Canadian beef industry. With a focus on youth development and engagement, CYL is working collaboratively with multiple other members of industry to build a strong foundation of young beef producers and industry stakeholders.



## Young Cattlemen's Council (YCC)

The Young Cattlemen's Council (YCC) is a cornerstone opportunity for young beef producers to engage in the higher levels of the beef industry. It was developed with the goal to act as a conduit of information for young beef producers across the country and exposes young cattlemen to the inner workings of the beef industry. The YCC board acts as a youth subsidiary of the Canadian Cattlemen's Association (CCA), where board delegates participate as non-voting members on CCA committees.

2020 provided many opportunities for the Council to advocate on behalf of young beef producers and take advantage of training opportunities. From the beginning of the year until August 2020, the Council was led by President, Kayla Weston (AB), and Vice President, Geoffrey Larkin (Maritimes). The Council included other Provincial Representatives Ian Lauder (BC), Holly Thompson (SK), Stefan Bouw (MB), Evan Chaffe (ON), and Members at Large Ricky Seelhof (BC), Jessica Sperber (AB) and Ethan David (SK).

In January 2020, YCC delegates Ricky Seelhof and Jessica Sperber joined a group from the Cattlemen's Young Leaders (CYL) Program for the annual National Western Stock Show trip to Denver, Colorado. The trip included industry tours at the Greely JBS Packing plant, Five Rivers Feeders and the Anheuser-Busch brewery and barley research centre, in addition to taking in the Denver stock show.



On March 10, 2020, YCC delegates participated in their third annual lobby day at Parliament Hill prior to the CCA Annual General Meeting (AGM) in Ottawa held March 11-13, 2020. They met with several Members of Parliament to discuss issues of importance to the beef industry, such as front-of-package labelling, the importance of Livestock Price Insurance program for young producers, the environmental benefits of beef production and much more.



*YCC Delegate, Holly Thompson had the chance to connect with her MP, Andrew Scheer, along with YCC President, Kayla Weston, during the CCA's AGM in Ottawa in March 2020.*





The Council also held their semi-annual meeting on March 12, 2020 during the CCA Annual General Meeting (AGM).

The Council remained active throughout the spring by assisting with CCA communications and lobbying efforts to bring awareness to the impacts COVID-19 on young producers. Activities included sending a letter to the federal government emphasizing the importance of improving and expanding the Livestock Price Insurance program, participating in CCA virtual lobbying meetings and creating a YCC video update for the CCA's newly created virtual news roundup. YCC Vice President, Geoffrey Larkin, also participated in a special media event hosted by the CCA to highlight the challenges young producers are facing due to the impacts of COVID-19, where his story was highlighted in several news publications.

YCC delegates participated in a board governance training series through a three-part webinar series from the end of April through May 2020. The series was taught by the owner of Building Up, Wendy Bulloch, which is a consulting firm based out of southern Manitoba. Delegates were able to learn more about the responsibility of board directors, various board models and how to run engaging and productive meetings.

The Council also launched a new website in May 2020 designed to connect young beef enthusiasts from across Canada. The Council looks forward to using the website as a conduit of information between industry and young beef producers.

The Council held their AGM virtually on August 6, 2020 in conjunction with the CCA semi-annual committee meetings. Virtual elections were held for a two-year member at large position in the days prior to the AGM. Carley Henniger (BC) was elected to fill the Member at Large position, replacing outgoing delegate, Ricky Seelhof (BC). President Kayla Weston (AB) moved into the Past President role filling the one-year member at large position. New Provincial Representatives Martin Clausen (AB), Kate Barnett (MB) and Susan Hamilton (Maritimes) were welcomed to the board. Holly Thompson (SK) stepped into the role of President and Jessica Sperber (AB) took on the position of Vice President, both by acclamation. The following week during the virtual Canadian Beef Industry Conference, outgoing Member at Large, Ricky Seelhof, and her family were also honoured as the 2020 recipients of the Canadian Cattlemen's Association Environmental Stewardship Award.

In September, YCC President, Holly Thompson, joined a CCA meeting with Conservative Shadow Minister for Agriculture and Agri-Food, Lianne Rood, to speak to the importance of young producers having



**CCA AGM 2020- from left to right:**  
**David Haywood-Farmer, Minister Bibeau, YCC President, Kayla Weston and Bob Lowe**

access to bankable and equitable business risk management programs. She also joined a similar virtual meeting with Federal Agriculture and Agri-Food Minister, Marie-Claude Bibeau.

Council delegates joined participants of the CYL Program for a two-part government relations virtual training series hosted in partnership with the Alberta Cattle Feeders' Association. For the first training session, participants expanded their knowledge on government relations terminology, beef industry issues and various ways they can be a voice for industry priorities. The second part of the training included an "expert panel" with guest speakers Ted Menzies and Rory McAlpine.

December was another busy month for the Council. As the Beef Value Chain Roundtable meeting shifted to a virtual event on December 1, there was the opportunity to have a few YCC delegates participate in the meeting. On December 17 through a video on YCC social media channels, President Holly Thompson highlighted why proposed changes to AgriStability would help young beef producers, as Ministers across Canada evaluate BRM programs. A new YCC BC Provincial Representative was also appointed to replace Ian Lauder who resigned from the Council. Andrea van Iterson joined the Council and will bring her experience and fresh ideas to the group.

YCC is made possible through the support of its Platinum Partner, New Holland, and the support of the provincial organizations, British Columbia Cattlemen's Association, Alberta Beef Producers, Saskatchewan Cattlemen's Association, Manitoba Beef Producers, Beef Farmers of Ontario, Nova Scotia Cattlemen's Association, New Brunswick Beef Producers, and Prince Edward Island Cattle Producers. The YCC is incredibly grateful for the support from these organizations.





## BC Cattlemen's Association

When the COVID-19 pandemic hit in March, the BC Cattlemen's Association (BCCA), like all industry associations, had to quickly adapt to a new way of getting the work done and adjust many of our regular events. The BCCA Board of Directors began to meet virtually (despite connectivity challenges) while staff worked from home. In June, BCCA held their Annual General Meeting via Zoom and we celebrated our 2020 Ranch Sustainability Award recipient in a special virtual event. Instead of our annual Research Forum, BCCA embarked on a short video highlighting research relevant to BC's cattle industry. The Board was able to meet once face-to-face in October before the second wave hit and new restrictions were put in place. The in-person meeting scheduled for December was quickly modified to a virtual meeting.



Throughout 2020, BCCA worked on the issues related to COVID-19 and we continued to address the regulations impacting producers. During the early months of the pandemic, we collaborated with our national groups and worked provincially to ensure governments and policymakers were aware of the unique challenges facing the industry's stakeholders during COVID-19. At the same time, BCCA continued to address BC ranchers ongoing challenges such as access to water and forage and urge the Province to strengthen trespass laws. Equally as important, we worked to capitalize on the opportunities to build a stronger industry in BC.

On the operational side, BCCA reevaluated our standing committees and began a phased approach to merging two of our existing committees (Livestock Industry Protection and Research) into the new Beef Production and Innovation Committee. In October after Board approval, the committee began to operate under the new name and 2021 will see the first elections for the committee.

2020 also saw a provincial election in October that resulted in a majority government for the BC NDP. In late November, Premier Horgan announced his new cabinet appointing several new ministers to key positions. Work is underway to prepare for bringing our concerns and solutions to the ministers in the new year.

### Key Issues

As mentioned, BCCA continued to address challenges facing the industry including:

#### Water

BCCA has spent a decade consulting with the Province as the government makes changes to the Water Sustainability Act and related regulations. Livestock water regulations are the latest to be reviewed and the Province publicly released their proposal in July. BCCA was able to see some positives such as the acknowledgement of traditional livestock use, agreement to issue First in Time, First in Right (FITFIR) dates for traditional use, and the recognition that livestock can directly access surface water sources. However, we also have strong concerns with mandatory licensing, the lack of clear protections for livestock watering during times of scarcity, and the three-tiered system that would see cattle operations of 200+ head undergo a more extensive application process. We have asked the Province consider a risk-based approach to licensing that would only require mandatory licensing in areas where water is in short supply.

#### Water Storage

For several years, BCCA members have raised concerns about the increasing costs of dam maintenance and the regulatory burden placed on dam owners through the Dam Safety Regulations. This year, BCCA partnered with Ducks Unlimited Canada to make a submission to the Ministries of Agriculture, Environment and Forests, Lands, Natural Resource Operations and Rural Development to highlight concerns and provide recommendations. The 17 recommendations focused on addressing concerns around the increasing costs of infrastructure, dam maintenance/monitoring and archeological assessments, addressing downstream and consequence risk, and improving government support and communication.

#### Trespass

Like many other livestock commodities in BC and across Canada, trespass has been an ongoing concern for members for years but became more urgent in 2019 with the increased incidents of trespass by activists. In 2020, members brought forward a resolution that asked BCCA to





urge the Province to adopt a bill similar to Alberta's Bill 27 Trespass Statute. BCCA has collaborated with other provincial livestock organizations to advocate for changes to the Trespass Act and work towards finding a solution to trespass on agricultural operations. Some of the recommendations that have been put forward are to urge the Solicitor General to increase the fines and the speed at which charges are laid to mirror that of Alberta and Ontario, to have those successfully fined to also hold criminal records preventing cross border travel and to utilize a special Crown Counsel to handle trespass cases to improve continuity. We have also asked the Ministry of Agriculture to find ways to expedite changes to the Trespass statute.

### Agriculture Land Reserve

In BC, the rules around the Agriculture Land Reserve (ALR) have seen many iterations as governments change. From the membership, there is a broad diversity of rancher's perspectives on the Agricultural Land Reserve and Commission. However, the common ground is the need to protect the producer, not just the land, and ensure that agriculture is profitable. This year, BCCA has made two comprehensive submissions to the Province with recommendations towards providing supports for ranchers and farmers that make a real difference in their financial viability and to address regulatory burden ranchers face. We will continue to deliver the message that the best way to protect agricultural land is with financially viable farms and ranches.

### Opportunities

While 2020 had many challenges, there were also opportunities for BC's cattle industry.

### BC Beef Producers Inc.

While work on marketing a branded BC beef product had been underway for several years, 2020 was the year to see the concept become reality. In March, the opportunity to lease an existing processing facility in Westwold, BC spurred the project forward. The Beef Producers

Inc. (BCBP), a producer-owned limited liability corporation, was created to get BC beef to BC consumers, under the trademarked brand of "Genuine BC Beef". Since October, BCBP has been actively selling hook shares and at the end of November the first cows were processed. The motivation behind creating BCBP is to offer BC cattle producers the opportunity to participate in any profits from the efficiencies of processing cows locally and in selling the products as a branded product, "Genuine BC Beef".

### Targeted Grazing for Wildfire Prevention

This program, announced in May 2018 with funding from the Province, is using cattle as a tool to manage fine fuels around communities with the aim of lowering fire intensity and creating a fire break close to vulnerable communities. The program garnered media attention this year as the project got underway in three communities. BCCA is working closely with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development, regional districts, municipalities, forest companies and First Nations. Further funding for a research program to support data collection and research on the pilot projects has been received.

### Indigenous Relations and Affairs

BCCA has been monitoring the treaty process for decades with a willing seller/willing buyer approach to treaty negotiations and land selection. This remains the position of the Association. Understanding that only Indigenous and Provincial governments will be at the main treaty negotiation tables, the BCCA Indigenous Affairs Committee has been urging the Province to create side-table discussions where affected stakeholders can stay informed and ask questions. This process is being adopted with the Wet'suwet'en treaty negotiation and BCCA has been invited to put a representative forward to sit on the stakeholder council.

Recently, the BC Cattlemen's Association, through the Indigenous Relations Committee, is working toward building meaningful relationships with Indigenous communities. Our efforts to create a clearer understanding of reconciliation and UNDRIP are focused at the grassroots level. To that end, we are striving to gain a better understanding of our role in reconciliation and forging a path forward based on common values and respect.

In closing, BCCA appreciates the commitment and hard work of all the CCA directors and staff. We would like to thank our hard-working CCA Directors Grant Huffman and Ryan Scorgie.

For more information, please visit the BCCA website at [www.cattlemen.bc.ca](http://www.cattlemen.bc.ca)

Kevin Boon  
General Manager



## Alberta Beef Producers

As we head into the new year, Alberta Beef Producers (ABP) is looking forward to implementing new initiatives that have been in development through the latter half of 2020. We are finalizing details for the launch of a new ABP magazine, with the first issue out in February, and an online platform/smartphone app. The new platform will have real time market information, industry related stories and the ability for a producer to pick preferences based on their interests. Through the app, notifications can be sent to producers, making them aware of situations that could affect the beef industry in Alberta.

The ABP magazine will be published four times a year and provide updates on the happenings at ABP in each department, such as Research, Policy, Government Relations, Marketing and Education. It will also include information on the national organizations representing Alberta beef producers and other provincial cattle organizations, along with industry-related, human interest stories. As this plan comes to fruition, we will scale back our Cattle Country radio program and wind down the current format of Grass Routes. These new tools aim to connect with producers in a way that will let them guide the type of content they want to receive from our organization.

The 2020 ABP Producer Meetings took place online at the end of the year with a Producer Town Hall and two Resolution Meetings, where we saw strong attendance and participation from Alberta producers. The town hall provided an overview of the work done this year by ABP and our national organizations, and 23 resolutions were passed at the resolution meetings for ABP to consider and move through our resolution process. Delegate elections in two of the five zones were held electronically or by mail-in ballot and the results were announced at the beginning of



**ABP General Manager Brad Dubeau visits Bear Trap Feeders to discuss the state of the industry/impacts of COVID-19 on the industry with CCA President Bob Lowe.**

January. The Board of Directors elections will take place at our Annual General Meeting in March 2021 with all 12 directors elected at large by the new delegate body, under the stipulation that there must be at least one director from each zone.

Significant changes to agriculture research funding were made by the Government of Alberta with the unveiling of Results Driven Agriculture Research (RDAR). ABP has been an active member of the RDAR Advisory Committee, whose mandate is "to support results driven agriculture research priorities and programs that will increase competitiveness and profitability of Alberta's agriculture industry." We had the opportunity to provide input and feedback on the scope, governance and research focus and priorities. The ABP Research Committee also invited RDAR interim staff to observe a committee meeting to promote collaboration and opportunities for co-funding between ABP and RDAR. The Government of Alberta has committed \$37 million per year for 10 years to RDAR for agriculture research and knowledge transfer, although at least initially, not all of this funding will be available for research projects.

In October, JBS announced a new partnership with a food service company based in Japan to supply a branded Alberta beef product, utilizing already established premium beef brands.

ABP saw this long-term commitment as recognition of the value and prestige held by the Alberta Beef brand within international markets, and a strong reflection of the hard work and dedication of beef producers in Alberta and across western Canada.

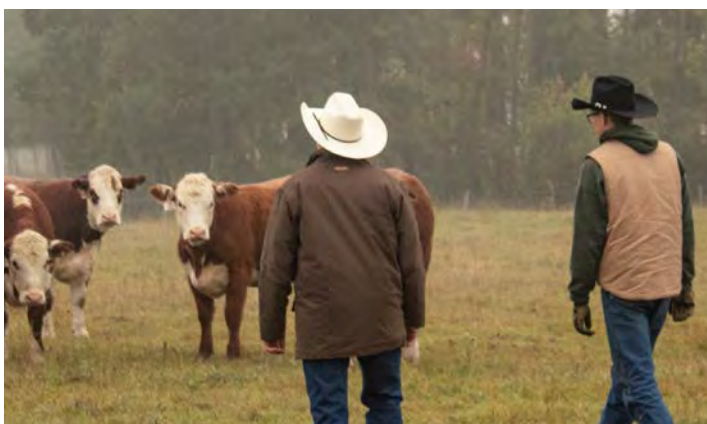




ABP was recognized for our marketing efforts by the Canadian Agri-Marketing Association at the Best of CAMA Awards. Through work done with the marketing agency WS, we were awarded top prize in Series Execution (Print or Digital), Best Overall Industry Relations Program and Website, and Certificates of Merit for Billboard and Single Execution (Print or Digital). These awards were for our Flavour of Alberta billboard campaign, tv commercials and new consumer website, as well as an All for the Beef influencer engagement program.

ABP joined other provincial agriculture commodity groups in submitting a letter to the Alberta Minister of Agriculture and Forestry encouraging government support of the proposed changes to the AgriStability program, which included removal of the Reference Margin Limit and an increase to the compensation rate. We hope to see the provincial government support these changes in the short-term while work continues on the modernization of the business risk management suite.

ABP and other industry partners worked with Alberta Environment and Parks (AEP) to update the grazing lease disposition document. AEP aimed to modernize the document and add-in clauses to aid in compliance and communication. During the review, industry focused on maintaining the legal status of a lease and through our efforts, the original legal language was successfully maintained, while the remainder of the document was modernized. The changes made were deemed minor, however may allude to greater frequency of overlapping dispositions and resultant activity.



ABP continues to monitor the Alberta Fed Cattle Set-Aside program as it works towards eliminating the backlog of cattle from the first wave of COVID-19. We didn't see significant market disruptions in Alberta through the fall and continue to watch COVID-19 numbers and outbreaks across the province for any potential impacts to our industry. On a final note, ABP would like to express sincere appreciation and gratitude to directors, delegates and staff for their willingness to adapt throughout the year as they continued to proudly represent producers across the province.

An advertisement for Vytelle. It features a large, stylized graphic of a cow in a field, with a diagonal split showing a different scene. The Vytelle logo is prominently displayed in the upper right. Below the logo, the text reads "ALWAYS PROGRESSING" in orange, followed by "Unlock animal performance with Vytelle." in black. At the bottom, there is a copyright notice: "©2021 Vytelle, LLC. All rights reserved. Vytelle and its logo are trademarks of Vytelle, LLC. 02/21 VY210209".

## Saskatchewan Cattlemen's Association

A mostly locked down year of cancellations and postponements. COVID-19's impact on the Saskatchewan cattle industry was worst felt by yearling sellers in the March/April timeframe when uncertainty and volatility were carrying the day. Some yearling sellers. Those that had Price Insurance coverage on their cattle were happy they had that coverage. That was true of fat cattle as well. Risk management paid off for those that used the tools at hand.

Agriculture and all its parts being deemed essential was and remains so important. There are major effects on how sales unfold and some bull and production sales have been cancelled. But many went ahead with changes and adaptations. Spring's sales were mostly good reflecting long-term commitment to the business and genetic improvement. The adaptations made for COVID-19 will result in some things being retained for the future. Necessity breeds invention.

Saskatchewan's Minister of Agriculture David Marit has been very good through this challenging time. Regular contact (weekly for a stretch) has been kept with all production groups. Not only the contact but also in response. COVID-19's impact on uncertainty made the volatility portion of price insurance premiums skyrocket.



*The Honourable David Marit, Saskatchewan Agriculture Minister visiting with SCA Chair Arnold Balicki at an SCA Board Meeting 2020.*



*Brian Cole at the "Farm to Forks" event in Saskatoon. It is an event that engages with students showing them where food comes from. This event is co-sponsored by SCA.*

The Saskatchewan Cattlemen's Association (SCA) asked for help in managing this, one idea being to offer a frozen premium that reflected "peace time" premium and coverage.

The SCA board committed \$1 million to help with improving premiums to help ensure producers were accessing an important program in a challenging time. The Province worked to bring the federal government to partner in offsetting premium increases but were unsuccessful.

This left the Province and SCA to partner in offsetting the share of premiums that was attributed to COVID-19 increases.

On top of this, the Province also funded their share of the fed cattle set-aside program. That program is still running and needed as of this writing. SCA appreciates the communication and responsiveness of our Ministry of Agriculture and our Minister.

At the time of this writing the federal government offer to remove the reference margin limit and increase the payout ratio in AgriStability is under consideration. Hopefully when this report is being read that has come to pass. It would cap off a good year of advocacy and response in Saskatchewan.





**Paula Larson, former SCA Board Member at the 2020 Saskatchewan Beef Industry Conference (SBIC) dinner.**

On the activity front many things have been postponed or cancelled. Some of the funds that would have gone to those things have been reallocated to customer facing communications. Several examples of these tactics with the Bearded Prairie Chef Josh Miller and ex Roughrider Belton Johnson can be found at [www.saskbeef.com](http://www.saskbeef.com).

We are also working to develop content for an immersive experience post COVID-19. Stay tuned for more information in the future.

Aside from flooding in the Meadow Lake area, it was another mostly moisture constrained year. There will be more matching herd sizes to feed supply this winter instead of retaining numbers to match higher feed supplies. Especially since snow came in plentiful and early meant feeding started earlier than normal. There have been a lot of dry summers in a row in Saskatchewan. We are due for a reversal.

Looking ahead we are working to see announcements on irrigation and rural internet upgrades come to fruition. The re-election of the Saskatchewan Party that committed to these things is promising. The financial situation due to COVID-19 is not. Building infrastructure is positive for the economy and there is no better way to grow agriculture than irrigation.

Ryder Lee  
CEO, Saskatchewan Cattlemen's Association



**SCFA Feedlot management school**



**As part of our consumer outreach, there was a series of TV episodes created, including this one featuring Josh Miller, the Bearded Prairie Chef, demonstrating how to make stuffed tenderloin.**





## Manitoba Beef Producers

Adaptation was the norm for in 2020 for Manitoba Beef Producers (MBP) as the association tried to balance its usual advocacy and outreach efforts with the industry-related challenges that accompanied the COVID-19 pandemic.

In February the Manitoba government announced a grant of up to \$300,000 toward the three-year Livestock Predation Prevention Project. MBP has long advocated for such an initiative. MBP and the Manitoba Sheep Association are also providing funding toward it. Technical support is coming from other members of the Livestock Predation Protection Working Group. Some program components include conducting on-farm risk assessments, and, testing the effectiveness of lethal and non-lethal Risk Management Practices in reducing predation. A project lead has been secured (employed by MBP) and work has commenced with a survey on predation losses distributed to cattle and sheep producers in the fall for feedback.



A screen shot of the MBP newly launched website

There was considerable work related to the Manitoba government's changes to the agricultural Crown land (ACL) leasing program. Key among them were efforts to secure the first right of renewal on ACL forage leases issued prior to October 1, 2019, something not permitted when the program changes were first announced. This key change has been achieved. While the continuation of legacy (family) leases is also confirmed, the government has ended unit transfers, i.e. the ability to transfer leases with the sale of deeded land. Advocacy continues on this and other ACL concerns, including: the need for a transition period to allow lease holders to adapt to a steep hike in rental rates; the importance of informed access; the new process for valuing lease hold improvements; and, valuing ecosystem services provided by lease holders in managing ACL.

In mid-June the findings of a review of forage insurance programs offered by the Manitoba Agricultural Services Corporation (MASC) were released. MBP sought the review due to producer concerns about gaps or challenges with existing forage insurance offerings that limit their responsiveness. MASC is exploring action on several of the report's recommendations, including: new methodologies to assign coverages to new insureds; determining if the effect that disaster years have on future coverage can be minimized; establishing insured values that better reflect the price of hay in claim years; and, reviewing the index-based insurance approach used in other jurisdictions which rely on weather or satellite-based technology.

Acting upon requests from MBP, MASC announced that extended grazing forages would be made eligible for wildlife damage compensation. This compensation is limited to 45 per cent of the value of loss on swathed or baled crops or forage, and suitable standing annual crops (e.g. corn) that are intended for grazing.

MBP has undertaken considerable work related to the pandemic, both on its own and in collaboration with national and provincial cattle organizations, the Manitoba Livestock Marketing Association and others. Due to the steep spike in premiums for the Western Livestock Price Insurance Program (WLPIP), MBP asked the federal and provincial governments to cost share the premiums with producers, as well as to extend the enrolment deadline. While the deadline to enroll in the calf program was extended in Manitoba, there was no movement for cost-shared premiums. MBP continues to provide input into ways to enhance WLPIP and to make price insurance available in other regions of Canada.

MBP also advocated with the Manitoba government to provide its 40 per cent contribution toward a set-aside program as per the AgriRecovery initiative announced by the federal government on May 5. The 2020 Canada-Manitoba Finished Cattle Feed Assistance Program was announced in mid-October. While the Manitoba government agreed to administer it, it did not provide its 40 per cent contribution. MBP requested adjustments to the program to address eligibility concerns such as: whether the eligible slaughter date could be extended; questions about the minimum weight requirements; and, the requirements for a proof of slaughter date as opposed to a shipment date.

In other advocacy efforts at the provincial level, MBP has long sought changes to AgriStability to make the program more responsive. The efforts redoubled when the federal government announced proposed changes to it in late November. MBP participated in provincial government consultations related to possible changes to trespassing and biosecurity legislation. Some of this discussion has arisen due to continued concerns about the impact of crime on the agriculture sector and rural communities. And, MBP has been providing feedback as the Manitoba government continues to envision and action its Manitoba Protein Advantage strategy.



**Taken in January 2020 in Brandon, MB during a social event after our Young Producers Retreat.**

There were some weather-related challenges in 2020. MBP asked the Manitoba government to allow Wildlife Management Areas to be made available for haying and grazing in areas where producers were facing dry conditions. In mid-July the Province agreed to do this. Although there was inadequate moisture in some regions, excess moisture was at times a problem in others. Strong storms arrived in southeastern Manitoba in early June, leading to overland flooding and associated damages. Heavy rains also appeared in early July in southwestern to central Manitoba, again leading to overland flooding, road damage, some evacuations of livestock, and crop damage. Drier conditions returned thereafter, but timely rains allowed most producers to secure adequate feed supplies heading into winter. Some producers however closed the year concerned about low dugout and well levels, and how low soil moisture conditions may affect production in 2021.



**During the District 5 meeting in October 2020, when Director Steven Manns joined MBP General Manager Carson Callum for the virtual meeting.**

The pandemic has and continues to lead to the cancellation of numerous public-facing events in which MBP normally participates, such as the Royal Manitoba Winter Fair, the Red River Ex, Ag in the City, Open Farm

Days, Amazing Ag Adventure and Ag Days. However, MBP forged ahead with communications activities. This included running morning advertisements on CTV Winnipeg promoting Manitoba's beef industry. MBP participated in a live interview on CTV Morning Live to talk about beef production, as well as the nutritional attributes of beef. Summer and Christmas/New Year's radio campaigns targeted listeners in Winnipeg and area. MBP produced a video for social media thanking those working on the front lines in the processing plants for their efforts. In December MBP completed a refresh of its website to make it more user friendly and inviting, both for producers and for the general public. And, MBP participated in the 31st season of Great Tastes of Manitoba, a popular cooking show on CTV Winnipeg. A video profiling one of our director's operations also aired during the broadcast, helping make the farm to table connection for viewers.

Due to the pandemic, MBP had to forgo its usual process of holding 14 in person fall district meetings, opting for a virtual platform. The same approach will be taken for MBP's 42nd Annual General Meeting in February.

In closing, MBP appreciates the ongoing collaborative efforts between the various industry associations and other value chain members to help the sector respond to the various challenges arising as a result of the pandemic. This includes the timely development of informational resources for holding auction sales and processing cattle. Key too are advocacy efforts targeted at government and elected officials outlining the challenges for the sector and the tools and strategies needed to help the beef industry move through and beyond the pandemic. This level of cooperation has been invaluable.

For more information, please visit MBP's website at [www.mbbeef.ca](http://www.mbbeef.ca)



**On set in July 2020 during filming for the 31st season of Great Tastes of Manitoba (MBP had two episodes this year).**



## Beef Farmers of Ontario

The impact of the global pandemic was far reaching in 2020 and presented many disruptions and challenges for so many sectors from tourism and airlines to education and manufacturing.

Unfortunately, Canada's beef industry and the agri-food sector weren't spared from impact. For Ontario's beef farmers, trouble began in the fall of 2019 with the closure of Ryding Regency and the resulted loss of federal processing capacity in the province.



The onset of the COVID-19 pandemic in March compounded that pressure for farmers. Fortunately, processing facilities in Ontario were not affected by any COVID outbreaks in the spring, but we closed the year with the temporary closure of Cargill Meat Solutions in Guelph, eastern Canada's largest federal processing facility, as a result of a number of positive COVID-19 cases among their workforce.

The pandemic forced us to adapt and find new ways to communicate, lobby and function as an association and, based on the current climate, the adapting will continue into 2021.

### Government Relations

Beef Farmers of Ontario (BFO) was actively engaged with both levels of government prior to and throughout the COVID-19 pandemic. In addition to our work with CCA, BFO worked closely with the eastern provinces to address the lack of sufficient processing capacity in eastern Canada, and to secure direct financial assistance for beef producers struggling from prolonged market losses.

In June, BFO welcomed an announcement by federal and provincial ministers regarding the creation of a cattle set-aside program for Ontario to allocate \$5 million to the beef sector to help manage potential backlogs in processing due to the COVID-19 pandemic. As previously noted, the program was triggered in early December as a result of the temporary closure of Cargill Meat Solutions in Guelph.

Provincially, BFO lobbied aggressively to increase funding for the Ontario Risk Management Program (RMP) alongside our counterparts in the grains, pork, veal, and sheep sectors. In July, the Province announced they would contribute an additional \$50 million across the RMP sectors for the 2020 program year, fulfilling in part a campaign commitment by the Conservative Party.

Federally, our focus was on business risk management programming. We continued to press government that we need to see changes to the AgriStability program. BFO believes there are a number of program-specific enhancements such as increasing the program trigger from 70 to 80 per cent and removing the Reference Margin Limit, that would address equity challenges and improve the effectiveness of the program for farmers.

Lastly, BFO was pleased to see the proclamation of provincial Bill 156, the Security from Trespass and Protecting Food Safety Act late in the year. This new legislation will help better protect farmers, their animals, livestock transporters, and the province's food supply from trespassers and extreme animal rights activists. Throughout 2020, BFO and other livestock and agriculture organizations strongly supported the development of this piece of legislation and were actively involved in the consultation process.





## Policy Review

BFO's policy department addressed policies and regulations affecting the beef sector, working with various government ministries on a number of critical files. Priority areas included CFIA's consultation on their proposed changes to the guidelines for simulated meat and poultry products, updates to the Nutrient Management Act that will lessen administrative burden on producers, improving access to veterinarians and livestock medicine in remote areas, advocating for interprovincial trade opportunities, consulting on Ontario's new animal welfare legislation, and amendments to the Ontario Immigrant Nominee Program.

## Research

BFO budgeted research funds of \$200,000 per year for three years (2020-2023). After receiving 28 letters of intent and 12 full proposals through a call for research proposals in 2020, 11 new research projects were approved to receive funding from BFO. All projects are at the University of Guelph with the exception of one funded at the Western College



*The new cow barn and some of the renovated pastures at the University of Guelph's research farm near Elora, ON are now in use, and work is nearly done on the construction of the new feedlot barn.*

of Veterinary Medicine at the University of Saskatchewan. While the research was intended to commence once funding was approved, the pandemic has affected the start of some of the projects with summer student numbers down and work capacity and research progress limitations due to physical distancing requirements.

The new cow barn and some of the renovated pastures at the University of Guelph's research farm near Elora, Ontario are now in use, and work is nearly done on the construction of the new feedlot barn. The new feedlot barn will have capacity for 288 growing and finishing steers, which is an increase of about 96 head over the previous facilities.

## Consumer Engagement

The priorities of our consumer engagement efforts in 2020 were getting our content in-market, building relationships with influencers and partners, and continuing to build the Ontario Beef brand story with the public.

Fortunately, the vast majority of our new strategy was designed to be carried out on social media. When the pandemic hit, we made some initial pivots on our messaging and we made some minor adjustments to our campaigns with respect to some of the in-person activities that were planned, but overall, we were able to execute our digital media strategy as planned, and did so with excellent results.

We continued work on our new creative assets, which were used to support some of the virtual public-facing events we participated in during the fall/winter of 2020.

One we were anxious to release was a virtual-360 tour of a feedlot and cow-calf operation. This project was completed in partnership with Farm & Food Care Ontario and was released at the virtual Royal Agricultural Winter Fair. Our new public website continued to increase traffic steadily, our store/product locator database continued to build, and we saw fantastic growth in not only followers but, more importantly, engagement across all of our social channels.

## Market Development

The Ontario Beef Market Development (OBMD) program continues to evolve and the work by the joint BFO-Ontario Cattle Feeders' Association committee continued in 2020 despite the impact of the pandemic on travel and execution of events and programs.



*The priorities of BFO's consumer engagement efforts in 2020 were establishing creative assets, building relationships with influencers and partners, and a focusing on their digital media campaigns.*



**Throughout 2020, BFO worked closely with CCA and the eastern provinces to address the lack of sufficient processing capacity in eastern Canada, and to secure financial assistance for beef farmers struggling from prolonged market losses.**

The ability to develop new branding initiatives in Ontario was limited as packers and retailers focused on operations and the safety of their employees. In addition, we saw a massive drop in customer capacity and meal occasions in the casual dining sector, as well as in the catering sector. As a result, the committee placed a higher priority on promotion of existing Ontario beef brands at retail and advancing its quality assurance objective.

In early 2020, before the pandemic had impacted Canada, work was done to support the growth of Ontario-branded beef by participating in a number of national tradeshow, including Grocery Innovations Canada and the Restaurants Canada show, both hosted in Toronto.

In export markets, most tradeshow were cancelled including in Korea, Taiwan, Singapore and Vietnam. However, work continued in the Japanese market by providing promotional support for existing Ontario beef brands. Currently, there are 21 retail partners promoting Ontario beef in 567 outlets across Japan. We did see one program launch in Japan, which was the Ontario Heritage Angus Beef brand, a premium brand exclusive to St. Helen's Meat Packers.

As previously mentioned, the Committee focused on quality assurance programming. As a result of that work, the Ontario Corn Fed Beef Quality

Assurance program was approved as a certifying body for the Canadian Roundtable for Sustainable Beef. Now, Ontario's feedlot sector and the bulk of finished animals in the province will be well positioned to take advantage of sustainable programming.

Through this announcement, we anticipate we will see an increase in demand from the feedlot sector for VBP Plus certified calves in the cow-calf sector, especially those who are interested in participating in Cargill's Certified Sustainable Program, which is now offered at both its High River and Guelph facilities.

### Producer Engagement

BFO's producer engagement team had planned a wide range of projects in 2020, however, the pandemic took a toll on many of the planned activities. Our inaugural Feedlot Management School was to be held at the end of March, but obviously needed to be postponed to 2021.

Likewise, our Beef Youth Development program, as well as the Cow-Calf Management School planned for August, met the same fate.

Plans shifted to meeting with producers in a virtual format when possible and we focused on digital resource development.

Our bfoUP webinar series ran through the winter and spring with great uptake, we launched an article series in Ontario Beef magazine called Wellness on the Farm, which focuses on the overall wellbeing of our producers, and we developed a number of video resources on various topics for producers.



## The Producteurs de bovins du Québec

The Producteurs de bovins du Québec (PBQ) has continued efforts in a number of spheres to maintain and build cattle production in Quebec. Profile raising, value creation, and sustainable development form the central themes of our actions.

### Strategic Planning 2019–2024

Early 2020 saw the PBQ begin implementing a strategic planning process for its production sectors.

The Quebec beef sector includes feeder calf producers, fed cattle producers, and dairy farmers (for cull cattle). Actors in these sectors are working to reach targets in the following areas: sector coordination, connecting with consumers, success factors from production to processing, and supporting development. Work in the last year has enabled the sector to make progress on a number of fronts, including identifying the need among our processing partners to conduct an analysis of marbling in Quebec beef carcasses.

Note that the Ministère de l'Agriculture des Pêcheries et de l'Alimentation du Québec, along with various processors, auctions, and other actors, have been included in the process.



The creation of a value chain for Quebec beef cattle is in progress. A number of partners have become involved in the project and, while the data processing does present complexities when it comes to transmission, signs that the project will be successful are being seen.

On December 17, 2020, PBQ was still awaiting the results of a value chain audit, which could open to the door for the organization to be certified by the CRSB. Assuming the certification takes place, agreements in principle will be negotiated with officials at slaughter facilities who are interested in the value chain.



*The chair of PBQ Jean-Thomas Maltais inspecting his herd.*

### Sustainable Beef Product Development

Since the Verified Beef Production Plus (VBP+) program was recognized by the Canadian Roundtable for Sustainable Beef (CRSB), the PBQ has doubled its efforts to increase the number of producers certified in Quebec.

Incentive programs implemented in recent years have sparked interest among some farmers to get certified. In early December 2020, the number of VBP+ certified feeder calf and backgrounded calf producers sat at 86, with the figure for fed cattle producers sitting at 24. These producers account for 62 per cent of production volume in the province.



*A cow-calf producer feeding calves to finish them.*





*Most cattle farms are family-owned businesses.*

### Business opportunities from the pandemic

Quebec, like the rest of North America, saw its share of complexities arising from the pandemic. That said, Quebecers' interest in local products drove up demand for Quebec beef among buyers in the province.

To push this momentum even further, the PBQ produced a friendly television advertisement that aired over the summer months.

The ad provides consumers the key points to keep in mind when buying local beef. As a result, the amount of beef purchased by local abattoirs was greater than usual.



*Many producers have transitioned their dairy barns to raise beef cattle.*



*Beef farmers in Quebec mainly finish their cattle with corn.*

### Animal transportation

The new Health of Animals Regulations: Part XII: Transport of Animals (Regulations) came into effect on February 20, 2020. The PBQ has created a working committee on transportation to assess the impact of the Regulations on producers.

The committee includes producers of grain-fed veal, milk-fed veal, and dairy calves, who represent the producers most affected by the Regulations. The committee has developed an action plan to first identify and gather the critical points and later analyze the various solutions that may be implemented. The PBQ also remains in regular contact with the Canadian Food Inspection Agency to help develop solutions as various parties adapt to the new Regulations.

For more information, please visit the PBQ website at [www.bovin.qc.ca](http://www.bovin.qc.ca)

## New Brunswick Cattle Producers

COVID-19 has impacted New Brunswick relatively mildly compared to other provinces. We have been very fortunate in being able to keep the curve mostly flattened. Many of our members have reported a significant increase in local demand for beef products, Atlantic Beef Products continues to report record processing rates at their facility on Prince Edward Island and both calf and cull cow prices have, thankfully, stayed reasonably strong throughout the pandemic. The New Brunswick Cattle Producers (NBCP) have worked closely with government to raise potential market and production issues that may have impacted NBCP members throughout the COVID-19 outbreak. Market impacts, thankfully, have largely been positive but production issues, specifically drought, become a much greater challenge during the growing season.

Few areas of the province escaped the impact of drought conditions. Growers are reporting a shortage of winter feed and stalled pasture growth brought cattle to town a bit earlier than we would typically expect in the region. Forage market prices have increase 50 to 100 per cent year-over-year depending on the supply-demand dynamics regionally across the province.

The NBCP continues to work with regional partners through the Maritime Beef Council to implement the Maritime Beef Sector Growth Strategy. The Strategy is focused on generating new opportunities for growth and development in the regional cattle industry. The five core goals of the Maritime Beef Growth Strategy are:

1. Increase the regional cow herd by 20,000 by 2027
2. Increase beef production profitability through training and education
3. Develop an industry-leading regional feed efficient beef herd
4. Maximize pasture and forage stand productivity
5. Advance the profitability of the industry through value chain co-ordination

Enhanced communication with the membership continues to be a top priority for the NBCP. As a cost reduction measure and a general modernization of the NBCP communications strategy, the NBCP encourages producers to be proactive in sourcing information by visiting the NBCP website, Facebook page and new YouTube page for workshop presentations.



Piloted in 2017, the integration of training workshops into the NBCP Fall Regional Meetings has continued through to 2020. With COVID-19 meeting restrictions, NBCP like many other associations have moved our face-to-face meetings to a virtual platform. The learning curve has been steep and technical challenges such as limited rural broadband internet has sometimes represented a barrier to success of the virtual model, but we are working through the challenges with resolve.

Member feedback suggest that the delivery of professional development opportunities along with updates from the Board of Directors on association activities increased the value proposition for attending regional meetings around the province. Presentations for 2020 included a series of management workshops on Risk Management Strategies, Verified Beef Production Plus, Value-Added Calf-Club Development, Livestock Transportation Regulation Changes and Humane Animal Handling.

**We continue to look to the future and the potential for market volatility to challenge NBCP members.**

Work continues to establish an Eastern Settlement Index and develop a Beef Price Insurance Program for the Maritime region. The Beef Cattle Research Council has supported this effort with a significant funding investment, which is greatly appreciated. We also continue to assess the effectiveness of the AgriStability program for New Brunswick conditions and appreciate the opportunity to work closely with CCA and Beef Farmers of Ontario to complete this national-regional-provincial benchmarking work.

Looking ahead to continued program delivery, NBCP leadership will work with staff to develop a clear direction for program delivery over the next two years of the Canadian Agriculture Partnership by reviewing the NBCP Strategic Plan, aligning with the Maritime Beef sector Growth Strategy and the National Beef Strategy.



## Nova Scotia Cattle Producers

Cattle market prices started off strong this year, flattening due to COVID-19 uncertainties of processing. Locally, demand was strong which helped hold prices steady in Nova Scotia. The Nova Scotia Cattle Producers (NSCP) had another productive year, wrapping up some projects and planning to continue working on others into the New Year. Additionally, we are busy planning for upcoming Zone Meetings and the Annual Meeting. The NSCP worked with the local Canadian Food Inspection Agency office to facilitate workshops, delivering presentation on the amendments to the livestock transportation regulations in February 2020. These workshops were delivered in late February 2020 across the province, with nearly 100 attendees throughout the four locations.

The Maritime Beef Council (MBC) released in Spring 2020 a new local dairy-beef resource: Beef on Dairy: A Maritime Dairy-Beef Production Guide. This first volume manual, From Breeder to 500lb Feeder, was a joint collaboration from various Maritime industry organizations, such as provincial livestock specialists, Atlantic Veterinary College, all three Maritime Dairy Farmers associations, all three Maritime Beef Producers associations, provincial veterinarians and Milk 2020, among others. This resource can be found at <http://nscattle.ca/members/industry-fact-sheets/>.



Throughout the next two years, there will be focus groups routinely meeting between beef and dairy who will represent both industries, as well as selected value chain stakeholders.

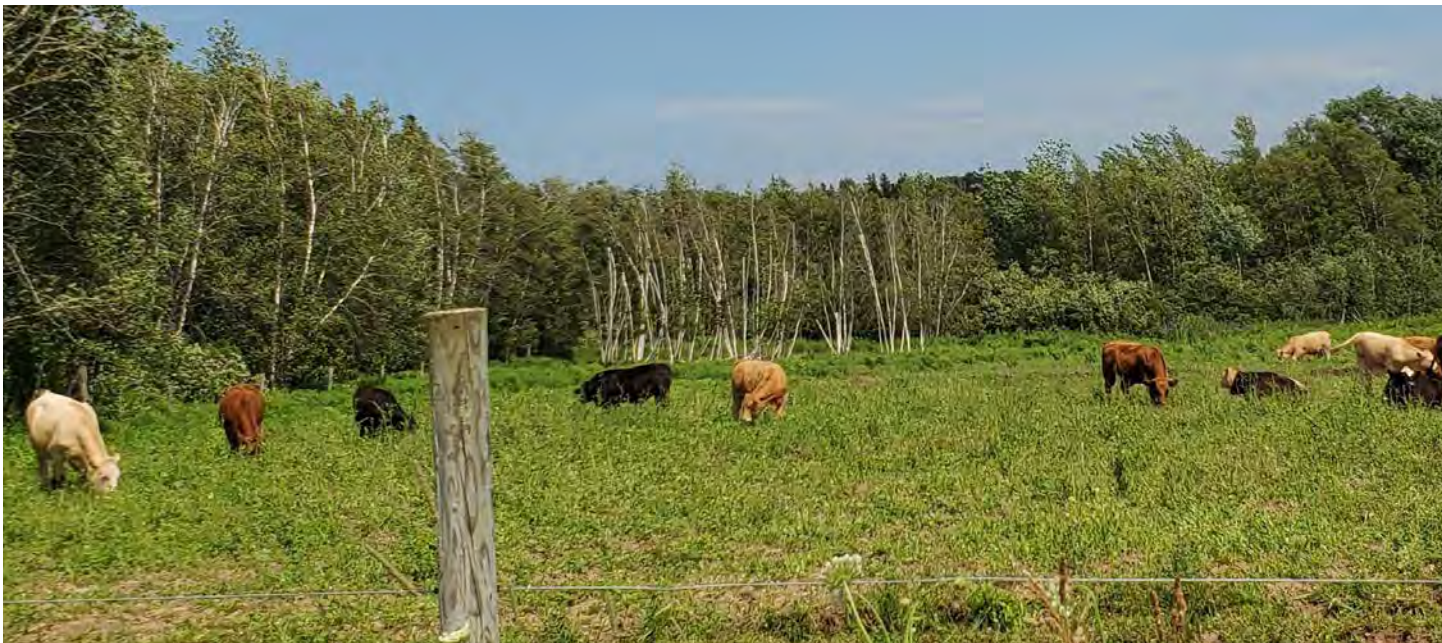
Also, in Spring 2020, NSCP started tracking cattle market pricing within the eastern Canada region. Price reports are gathered each week, with the weekly cattle price from the week prior added to our website each Monday morning. This includes pricing from feeders (500-900 lbs), fed steers, cull cows and bob calves (good and average) from Ontario, Quebec, New Brunswick, Prince Edward Island and Nova Scotia markets. This can be found on the Market Price Reports webpage: <http://nscattle.ca/members/market-price-reports/>.

In Summer 2020, NSCP and Dairy Farmers of Nova Scotia jointly wrote and submitted a letter of interest for the Climate Adaptation Leadership Program through the Nova Scotia Environment - Climate Change Unit and the Nova Scotia Department of Agriculture project. The Cattle (Beef and Dairy) sector was selected as one of the three industry topics, being the only livestock group involved in the project. Throughout the next two years, there will be focus groups routinely meeting between beef and dairy who will represent both industries, as well as selected value chain stakeholders, with the end result being a completed adaptation strategy.

Due to provincial exhibitions being cancelled this year due to COVID-19, the 6th Annual Nova Scotia Elite Beef Expo was unfortunately not able to occur this past August. We are hopeful the Expo can once again return for the 2021 Nova Scotia Provincial Exhibition.







Throughout the year, NSCP worked with the Agri-Commodity Management Association on the Nova Scotia Animal Transport Resource and Training Program, made possible through funding obtained by the Nova Scotia Department of Agriculture CAP Program. This allowed for the Livestock Transportation Manifest to be created, which are sold at the NSCP office for \$10 each. Additionally, this funded livestock commercial truckers in the province online Canadian Livestock Transport (CLT) Training, to obtain certification in animal transport in Canada under the current regulations.

Due to regional COVID-19 restrictions, the 5th Annual Maritime Beef Conference looked very different this year, as it moved to an online platform occurring evenings throughout October and November, rather than the usual March in-person session.

The NSCP again partnered the 2020 Maritime Beef Virtual Conference Series, hosted by the Maritime Beef Council, by promoting and advertising the series. The east coast was well represented with many Maritime based presenters, such as Bill Thomas and Ellen Crane, in addition to national speakers such as Anne Wasko and Michel Roche.

With COVID-19 Public Health regulations tightening once again this past fall, NSCP made the move to virtual workshops, rather than in-person meetings. We began releasing videos for a Virtual Farm Tour Series in November, and will continue into spring 2021. A new video focusing on a different beef operation in the province is released each month.

Please visit <http://nscattle.ca/virtual-farm-tours/> and/or social media for these monthly releases.

On the same webpage, a Cattle Vaccination Virtual Presentation can be found. This was recorded in the fall, focusing on beef cattle vaccination handling and techniques, as well as looking at the economics of vaccinating cattle and the associated potential premiums. We partnered with Dr. Alexander Burrows, Fundy Vets Ltd., Ellen Crane, BCRC and Jonathan Wort, Perennia on this video.

The NSCP is actively working with the Nova Scotia Department of Agriculture to develop programming which addresses industry goals, such as the Cattle Industry Enhancement Program, which closed for applications December 31, 2020.

A full listing of all government programs and eligibility can be found at <https://novascotia.ca/programs/>.

## Prince Edward Cattle Producers

The PEI Cattle Producers (PEICP) held their Annual Meeting on September 1, 2020. This meeting was originally planned in April 2020 but due to the COVID-19 pandemic it was postponed until it could be held in person. Board members include Jeremy Stead, Peter Dixon, Tim Dixon, Kevin Simmons, Kenneth MacEachern, Dennis Hogan and Greg Stavert. Ex-Officio Director, Gary Hughes represents Dairy Farmers of PEI.

Fall District Meetings were held November 23 and 25, 2020 in Charlottetown and Linkletter respectively. These meetings were very well attended despite being limited to 50 people and having to pre-register to attend. Dr. Shawn McKenna in Charlottetown and Dr. Chris Versteeg in Linkletter presented on antimicrobial resistance, benefits of vaccines, importance of having a good vet client patient relationship. There was much discussion and questions asked. We had great feedback from those producers in attendance. We are planning to hold similar sessions in the Spring 2021 due to feedback we have received as more producers would like to attend.

The PEICP continues to deliver the VBP+ program in Prince Edward Island by providing information and delivering workshops. While the number of producers attending VBP+ workshop has remained consistent, the number of audited operations remains low. We have seen a small increase in producers wanting to be VBP+ audited. We accredited this to the announcement from Atlantic Beef Products that offers a \$.02 bonus for cattle that meet specific specs and come from a VBP+ registered operation. To date we have 13 registered operations on PEI.



The PEICP continues to offer third party Age Verification. This is very important to the feedlot sector in PEI who generally feed animals to an older age. This practice results in a high number of animals determined to be over thirty months of age or OTM. A birth certificate can help to avoid a penalty of \$.20/lb if an animal is deemed to be OTM at Atlantic Beef Plant. As a result, we have seen an increase in the number of producers Age Verifying their animals. An important benefit from providing this service is that more producers are getting their Premise ID and merging multiple CCIA accounts into one. All of this will assist producers in preparing for traceability.

The Livestock Development for Beef program was delivered through the PEICP. Funding for this program is provided through Canadian Agricultural Partnership (CAP) and offers qualifying producers money for programs such as premium sires, Purebred heifers, seedstock testing, RFID readers, Animal Health and handling facilities.

The PEICP coordinates the Prince Edward Island Certified Beef (CIB) brand.

Prince Edward Island beef is produced by those who are committed to quality, consistency and flavour, drawing on generations of experience. Beef farming and processing has long been a staple of our Island heritage and we take it very seriously.

We have developed the CIB brand based on these attributes and values. Feeders from any of the Atlantic provinces are now eligible for the brand enabling producers from these provinces to participate. Much of the criteria for CIB is based on current practices and it does not take a lot of adjustment for producers to join. Two key factors include documenting treatments and tracing all animals produced under the brand.







*PEICP's newest Board Director Dwain MacAulay's cattle grazing in the Souris Area of Prince Edward Island*

Today's consumers are knowledgeable and demand certain attributes for the food they eat. They want to know that the beef they consume has been raised responsibly, that the animals were treated humanely and that the beef is safe to eat.

Each year new CIB members are required to attend a Humane Handling Workshop delivered by Jane Morrigan and Miriam Gordon of Integrity Livestock Services. This practical overview is a great reminder of why we need to keep animal welfare top of mind. The CIB brand continues to grow steadily.

The PEICP continues to administer the Deadstock Removal service to beef producers. This \$850,000 service is cost shared with Dairy Farmers of PEI, PEICP and the province. The Province announced in June 2019 they would be taking over administration of the Deadstock service contract and increasing their share to fund the service.

PEICP entered into a 3-year contract with the Province to pay \$50,000 per year. There has been uptake of approximately 50 per cent of all beef producers paying to use the service. Those who did not pay are not eligible and must arrange for proper disposal of their deadstock themselves.

The PEICP is a member of the Maritime Beef Council (MBC). The MBC hosted the annual Maritime Beef Conference in October virtually and

was well attended. The conference has gained a lot of attention from the beef industry over the years and has grown steadily each year. The MBC continues to work on the development of a Maritime Beef Strategy.

**The main objective of the strategy is to grow and expand the Maritime herd over five years.**

There are many aspects to the strategy including professional development. To address this the Maritime Beef School was developed along with Feedlot Club and Cow Calf clubs.

If producers take advantage of the Beef School, Feedlot Clubs and/or Cow Calf Clubs and attend the various presentations at the MBC Conference, they will receive a wide array of valuable information they can use to implement changes on their farms. This year many of the meetings were held virtually.

We are pleased to have national representation as follows: John MacDonald; CCA Board of Directors, David Francis; Canada Beef, and Ivan Johnson; CCIA Board of Directors. These representatives provide a valuable link between our provincial organization and our national organizations.



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## Management's Responsibility

To the Board of Directors of Canadian Cattlemen's Association:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are composed of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

October 29, 2020



**David Moss,**  
**General Manager**

## Independent Auditors' Report

To the Board of Directors of Canadian Cattlemen's Association:

### Opinion

We have audited the financial statements of Canadian Cattlemen's Association (the "Association"), which comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter - Unaudited schedules and Supplementary Information

Our audit of Canadian Cattlemen's Association's financial statements for the year ended June 30, 2020 was not directed to the determination of the accuracy of the information included in Schedules 1 to 9. While such information has been subjected to the auditing process applied in the audit of the financial statements as a whole, we do not express a separate opinion on Schedules 1 to 9.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta  
October 29, 2020



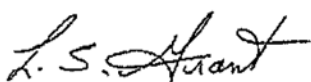
Chartered Professional Accountants

## Statement of Financial Position

As at June 30, 2020

	2020	2019
<b>Assets</b>		
Current		
Cash	8,114,392	8,719,264
Accounts receivable (Note 3)	3,100,179	3,117,585
Goods and services tax recoverable	1,277	1,883
Note receivable (Note 4)	500,000	-
Prepaid expenses	93,323	111,824
	<b>11,809,171</b>	11,950,556
Property and equipment (Note 5)	37,460	29,949
Investments (Note 6)	5,260,774	2,666,489
	<b>17,107,405</b>	14,646,994
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities (Note 7)	1,063,086	3,070,386
Deferred contributions (Note 8)	3,376,728	3,092,967
	<b>4,439,814</b>	6,163,353
Commitments (Note 9)		
Contingency (Note 8(d))		
Subsequent event (Note 17)		
Significant event (Note 18)		
<b>Net Assets</b>		
Invested in property and equipment	37,460	29,949
Unrestricted	9,615,431	6,117,836
Restricted - Beef Cattle Research Council	2,000,000	2,000,000
Restricted - Marketing Assessment	647,055	315,856
Restricted - Canadian Roundtable for Sustainable Beef	125,000	
Restricted - Public and Stakeholder Engagement	40,000	20,000
Restricted - Special Projects Fund	202,645	
	<b>12,667,591</b>	8,483,641
	<b>17,107,405</b>	14,646,994

Approved on behalf of the Board


Lynn Grant  
Director

Bob Lowe  
Director

## Statement of Operations

For the year ended June 30, 2020

	2020	2019
<b>Revenue</b>		
Canadian Cattlemen's Association Segment (Schedule 1)	<b>3,983,201</b>	4,430,763
Canfax Market Analysis Division (Schedule 3)	<b>469,803</b>	431,525
Canfax Research Services Division (Schedule 5)	<b>246,155</b>	236,346
Beef Cattle Research Council (Schedule 6)	<b>7,227,068</b>	7,548,721
Beef Science Cluster (Schedule 7)	<b>2,882,536</b>	2,695,542
Canadian Roundtable for Sustainable Beef (Schedule 8)	<b>1,214,718</b>	1,299,030
Public and Stakeholder Engagement (Schedule 9)	<b>849,206</b>	-
	<b>16,872,687</b>	16,641,927
<b>Expenses</b>		
Canadian Cattlemen's Association Segment	<b>3,138,597</b>	3,995,755
Canfax Market Analysis Division	<b>429,425</b>	447,448
Canfax Research Services Division	<b>250,906</b>	169,510
Beef Cattle Research Council	<b>4,346,318</b>	4,466,657
Beef Science Cluster	<b>2,882,536</b>	2,695,542
Canadian Roundtable for Sustainable Beef	<b>1,083,645</b>	1,187,930
Public and Stakeholder Engagement	<b>537,051</b>	-
Amortization	<b>20,259</b>	25,657
	<b>12,688,737</b>	12,988,499
<b>Excess of revenue over expenses before other items</b>	<b>4,183,950</b>	3,653,428
Premium on redemption of shares (Schedule 1) (Note 16)	-	249,975
<b>Excess of revenue over expenses</b>	<b>4,183,950</b>	3,903,403

## Statement of Changes in Net Assets

For the year ended June 30, 2020

	Invested in property and equipment	Unrestricted	Restricted	2020	2019
Net assets, beginning of year	29,949	6,117,836	2,335,856	<b>8,483,641</b>	4,580,238
Excess (deficiency) of revenue over expenses	(20,259)	4,251,539	(47,330)	<b>4,183,950</b>	3,903,403
Reserve allocation (Note 10)	-	(726,174)	726,174	-	-
Invested in property and equipment	27,770	(27,770)	-	-	-
Net assets, end of year	37,460	9,615,431	3,014,700	<b>12,667,591</b>	8,483,641



## Statement of Cash Flows

For the year ended June 30, 2020

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	4,183,950	3,903,403
Amortization	20,259	25,657
Premium on redemption of shares	-	(249,975)
Dividends reinvested	(127,649)	-
Gain on sale of investments	(666)	-
Unrealized gain on investment	(160,639)	-
Changes in working capital accounts	3,915,255	3,679,085
Accounts receivable	17,406	(1,503,467)
Goods and services tax recoverable	606	3,995
Prepaid expenses	18,501	(61,784)
Accounts payable and accrued liabilities	(2,007,300)	2,319,691
Deferred contributions	283,761	2,070,579
	2,228,229	6,508,099
<b>Investing</b>		
Purchase of property and equipment	(27,770)	(13,410)
Purchase of investments	(2,330,750)	(2,666,489)
Proceeds on redemption of shares	-	250,000
Issuance of note receivable	(500,000)	-
Management fees	25,419	-
	(2,833,101)	(2,429,899)
<b>(Decrease) increase in cash</b>	<b>(604,872)</b>	<b>4,078,200</b>
<b>Cash, beginning of year</b>	<b>8,719,264</b>	<b>4,641,064</b>
<b>Cash, end of year</b>	<b>8,114,392</b>	<b>8,719,264</b>

## Notes to the Financial Statements

For the year ended June 30, 2020

### 1. DESCRIPTION OF BUSINESS

The Canadian Cattlemen's Association (the "Association" or "CCA") was incorporated in March 1932. Under the Income Tax Act (Canada), the Association is classified as a not-for-profit organization and, accordingly, is not subject to income taxes. The Association's mandate is to represent the interests of Canadian beef producers for the enhancement of the beef industry. The Association undertakes its activities through a number of divisions.

The Canadian Cattlemen's Association Segment ("CCA Segment") funds specific projects and organizational operations through provincial assessments.

The Canfax Market Analysis provides market intelligence services and up to the minute information to its members, who are primarily feedlot, cow-calf and backgrounding operators.

The Canfax Research Services provides a market research service that is used by provincial cattlemen's association and government.

The Beef Cattle Research Council ("BCRC") sets priorities and contributes funding to national beef research and development projects in specific research areas.

The Beef Science Cluster is a contribution agreement between the Canadian Cattlemen's Association and Agriculture and Agri-Food Canada. This initiative is administered by the Beef Cattle Research Council. It is intended to fund practical, applied research to improve the competitiveness of Canada's beef value chain, and to encourage continued investment in infrastructure and human capital in strategically important areas of beef and cattle research.

The Canadian Roundtable for Sustainable Beef ("CRSB") was set up as a division of CCA to engage a broad range of stakeholders to promote sustainability throughout the Canadian beef industry through three pillars of focus – Certified Sustainable Beef Framework, Sustainability Benchmarking, and Sustainability Projects.

The Public and Stakeholder Division ("PSE") was set up as a division of CCA with the goal of increasing consumer confidence, trust, and support of Canadian beef production practices, which will result in increased beef demand over competing proteins.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### *Divisional reporting*

These financial statements have been prepared to include the results of the following Association divisions: the Canadian Cattlemen's Association Segment, the Canfax Market Analysis Division, the Canfax Research Services Division, the Beef Cattle Research Council, the Beef Science Cluster, the Canadian Roundtable for Sustainable Beef, and Public and Stakeholder Engagement.

For presentation purposes, amortization expense has not been segregated on the Schedule of Operations and changes in Net Assets for the Canadian Cattlemen's Association Segment, the Canfax Market Analysis Division, the Canfax Research Services Division, the Beef Cattle Research Council, the Beef Science Cluster, the Canadian Roundtable for Sustainable Beef, and Public and Stakeholder Engagement.

#### *Expenditures*

The expense categories on the Schedule of Operations for the Canadian Cattlemen's Association Segment have been grouped by department.

The expense categories on the Schedules of Operations and Net Assets for the CCA Segment, the Canfax Market Analysis Division, the Canfax Research Services Division, the BCRC Division, the Beef Science Cluster, the Canadian Roundtable for Sustainable Beef, and Public and Stakeholder Engagement have been grouped by type of expense.

## Cash

Cash includes bank balances and deposits with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

## Property and equipment

Purchased property and equipment are recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	10 years

## Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Subscription and assessment revenues that meet the definition of a liability are deferred and recognized on a pro-rata basis over the subscription and assessment period. Interest income is recognized as revenue in the year in which it is earned.

## Contributed service and materials

Contributions of services and materials are recognized both as contributions and expenses in the Statement of Operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

## Investments

Investments are recorded at fair value for those with prices quoted in an active market, and cost less impairment for those that are not quoted in an active market.

## Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting year.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of property and equipment.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, are reported in excess of revenues over expenses in the years in which they become known.

## Allocation of expenses

The Association follows CPA Handbook Section 4470 Disclosure of Allocated Expenses, which establishes disclosure standards for not-for-profit organizations that classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate. The Association has allocated administrative expenses, primarily salaries and office expense, to the Canadian Cattlemen's Association Segment, Canfax Market Analysis Division and Beef Cattle Research Council Division. The expenses are allocated based on budgeted figures and are disclosed in the accompanying schedules. The Association does not engage in any fundraising activities.

## Restricted net assets

Restricted net assets represent amounts set aside to finance future operating and capital expenditures. Restrictions are established at the discretion of the Association. Increases to and/or from the restricted net assets are reflected as an adjustment to the respective division.



### Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Handbook Section 3840 Related Party Transactions.

At initial recognition, the Association may irrevocably elect to subsequently measure any financial instrument at fair value. The Association has not made such an election during the year.

The Association's financial assets and liabilities are subsequently measured at amortized cost.

### Financial asset impairment

The Association assesses impairment of all of its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when there are numerous assets affected by the same factors. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment which is not considered temporary is included in current year excess of revenue over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

## 3. ACCOUNTS RECEIVABLE

	2020	2019
Canadian Cattlemen's Association Segment	958,242	870,110
Canfax Market Analysis Division	168,276	64,306
Beef Science Cluster	1,843,638	2,075,421
Canadian Roundtable for Sustainable Beef	126,351	89,467
Other receivables	3,672	18,281
	<b>3,100,179</b>	<b>3,117,585</b>

## 4. RELATED PARTY TRANSACTIONS

During the year, the Association provided a loan to VBP+ Delivery Services Inc., a party related through significant influence due to a common director. The loan is non-interest bearing and there are no principal repayments due within the first five years. Repayments of \$100,000 per year will commence in 2023.

	2020	2019
Note receivable	500,000	-

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## 5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	120,662	91,115	29,547	19,190
Furniture and fixtures	10,984	6,075	4,909	6,753
Office equipment	10,015	7,011	3,004	4,006
	141,661	104,201	37,460	29,949

## 6. INVESTMENTS

	2020	2019
Canadian Cattlemen's Association Segment - Mawer Balanced Pooled Funds, at fair market value (cost - \$751,839 (2019 - \$401,968))	774,143	421,024
Beef Cattle Research Council Division - Mawer Balanced Pooled Funds, at fair market value (cost - \$4,348,297 (2019 - \$2,143,30))	4,486,631	2,245,465
	5,260,774	2,666,489

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Canadian Cattlemen's Association Segment	771,649	2,709,089
Beef Science Cluster	291,437	361,297
	1,063,086	3,070,386

Canadian Cattlemen's Association Segment accounts payable in 2020 included \$nil accrued for third party grants (2019 -

\$1,126,829), \$408,481 of general accounts payable (2019 - \$1,198,307), \$100,611 of GST Payable (2019 - \$41,377),

\$70,850 of payroll liabilities (2019 - \$66,496) and \$191,707 of other accruals (2019 - \$276,080).

## 8. DEFERRED CONTRIBUTIONS

Deferred contributions consist of the following:

	2020	2019
Beef Science Cluster (a)	1,877,006	1,748,419
Beef Cattle Research Council Division (b)	237,053	146,234
Canfax Marketing (c)	120,653	112,672
Legal Contingency (d)	500,000	500,000
Young Leaders Development Program (e)	248,374	227,363
Canadian Roundtable for Sustainable Beef (f)	325,689	87,935
Canfax Research Services Division (g)	63,760	16,523
Town Halls (h)	-	16,458
National Beef Strategy (i)	4,193	2,138
Public and Stakeholder Engagement (j)	-	235,225
	3,376,728	3,092,967

- a) During the year, interest of \$16,779 (2019 - \$21,147) was earned on the grant, and grant income allocations for the year totalled \$3,810,507 (2019 - \$3,651,135). Expenditures totalled \$1,933,501 (2019 - \$1,910,958) resulting in a deferred balance for the Beef Science Cluster of \$1,877,006 (2019 - \$1,748,419).
- b) During 2020, the Beef Cattle Research Council received \$500,343 (2019 - \$348,258) including interest earned of \$92,892 (2019 - \$89,052) as funding for Canadian Integrated Program for Antimicrobial Resistance Surveillance (CIPARS), Surveillance of antimicrobial use and resistance in Canadian feedlot cattle, Developing a Canadian Tool Quality Management System for Beef Processing, and VBP+ Industrial and Market Alignment. As at June 30, 2020 the Beef Cattle Research Council has spent \$421,654 (2019 - \$297,284) on qualifying activities and the balance of unexpended funds is \$237,053 (2019 - \$146,234) which has been deferred.
- c) These balances represent the unearned portion of yearly subscriptions billed for Canfax Marketing.
- d) The balance represents the unearned portion of funds received from the provincial members to help support legal costs. A standing policy is on record that the Canadian Cattlemen's Association retain a cap of \$500,000 in the legal reserve with a special assessment triggered quarterly for all legal costs incurred.
- e) During the 2020 fiscal year, the Association received industry sponsorship of \$149,000 (2019 - \$168,500). In the 2020 fiscal year, the Association spent \$127,989 (2019 - \$131,847) in qualifying expenses. The balance of unexpended funds is \$248,374 (2019 - \$227,363) and this amount has been deferred.
- f) During the 2020 fiscal year, the Association received \$1,452,472 (2019 - \$1,144,133) in industry sponsorship and government funding for the Sustainable Beef Program. As of June 30, 2020, the Association has spent \$1,083,740 (2019 - \$1,303,614), resulting in deferred contributions of \$325,689 (2019 - \$87,935).
- g) During the 2020 fiscal year, the Association received \$293,393 (2019 - \$248,546) in contracts for the Canfax Research Services Division. As of June 30, 2020, the Association has spent \$252,342 (2019 - \$242,023), resulting in deferred contributions of \$63,760 (2019 - \$16,523).
- h) During the 2020 fiscal year, the Association received \$nil (2019 - \$nil) in sponsorships for the Town Halls Division. As of June 30, 2020, the Association has spent \$16,458 (2019 - \$nil), resulting in deferred contributions of \$nil (2019 - \$16,458).
- i) During the 2020 fiscal year, the Association received \$22,400 (2019 - \$23,485) in contributions for the National Beef Advisors. As of June 30, 2020, the Association has spent \$20,345 (2019 - \$27,332), resulting in deferred contributions of \$4,193 (2019 - \$2,138).
- j) During the 2020 fiscal year, the Association received \$nil (2019 - \$590,400) in sponsorships for the development and advertising of public engagement programs. As of June 30, 2020, the PSE Division has spent \$235,225 (2019 - \$355,175), resulting in deferred contributions of \$nil (2019 - \$235,225). During the year, the Association transferred the public engagement program from a project into a division of the Association.

## 9. COMMITMENTS

The Association has annual lease commitments for office space in Calgary and Ottawa. The Calgary lease expires May 31, 2024 and the Ottawa lease expires August 31, 2027. The Association has entered into various lease agreements with estimated minimum annual payments as follows:

2021	178,295
2022	179,876
2023	180,866
2024	176,382
2025	28,455
Thereafter	65,446
	<u>809,320</u>

In addition, the Association is obligated to pay common area costs under certain leases.



## 10. NET ASSETS

	Invested in property and equipment	Unrestricted	Restricted	2020	2019
Canadian Cattlemen's Association Segment	17,493	1,292,264	647,055	<b>1,956,812</b>	1,361,913
Canfax Market Analysis Division	4,792	88,742	-	<b>93,534</b>	59,847
Canfax Research Services Division	1,267	182,259	-	<b>183,526</b>	189,716
Beef Cattle Research Council	7,250	7,316,114	2,000,000	<b>9,323,364</b>	6,447,683
Beef Science Cluster	-	-	-	-	-
Canadian Roundtable for Sustainable Beef	2,236	428,319	125,000	<b>555,555</b>	424,482
Public and Stakeholder Engagement	4,422	307,733	40,000	<b>352,155</b>	-
Special Projects Fund	-	-	202,645	<b>202,645</b>	-
	37,460	9,615,431	3,014,700	<b>12,667,591</b>	8,483,641

During 2020, the CCA Segment increased its restricted assets from \$335,856 to \$647,055, the CRSB increased its restricted assets from \$nil to \$125,000, the Special Projects Fund increased its restricted net assets from \$nil to \$202,645, and the Public and Stakeholder Engagement fund increased its restricted assets from \$nil to \$40,000.

## 11. BUDGET INFORMATION

Budget figures shown on the divisional supplementary schedules have not been audited. They were approved by the Board of Directors.

## 12. ECONOMIC DEPENDENCE

The Canadian Cattlemen's Association Segment receives a significant amount of its revenue from assessments received from various provincial associations. Each member province is assessed by the Association according to its relative marketing. The Association received \$3,530,214 (2019 - \$3,353,978) in assessments and \$nil (2019 - \$387,245) in legal assessments; during the year, \$nil (2019 - \$214,773) of legal assessments previously received and deferred were recognized as revenue. The Canfax Market Analysis Division received \$469,803 (2019 - \$431,525) in subscriptions. The Beef Cattle Research Council received \$5,756,444 (2019 - \$5,851,923) of funds from the Canadian Beef Cattle Check-Off Agency.

## 13. FINANCIAL INSTRUMENTS

All significant financial assets, financial liabilities and equity instruments of the Association are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk, credit risk, currency risk, liquidity risk and other price risk.

## 14. INDEMNIFICATIONS

In the ordinary course of operations, the Association enters into grant and contribution agreements which contain indemnification provisions. In such contracts, the Association may indemnify counter parties to the contracts if certain events occur. These indemnification provisions vary on an agreement by agreement basis. In some cases, there are no pre-determined amounts or limits included in the indemnification provisions and the occurrence of contingent events that will trigger payment under them is difficult to predict. Therefore, the maximum potential future amount that the Association could be required to pay cannot be reasonably estimated, and no amounts have been recorded in these financial statements.

## 15. COMPENSATION

The remuneration and benefits paid to all members of the Board of Directors (on an individual basis by title) are as follows:

	2020	2019
President	<b>30,000</b>	30,000
Vice-President	<b>15,000</b>	15,000
	<b>45,000</b>	45,000

**16. INVESTMENT IN BIXSCO INC.**

On April 20, 2018, the Association entered into an agreement with ViewTrak Technologies Ltd. ("ViewTrak") to convert the 25 common shares it owned of BIXSCO Inc. ("BIXSCO") to 250,000 preferred shares with a redemption value of \$1.00 per share. The preferred shares had voting rights. Property with an agreed upon value of \$250,000 but with a value of \$nil on these financial statements was transferred to BIXSCO. As the transaction was between related parties, it was measured at the carrying amount.

On May 1, 2019, the Association redeemed the 250,000 BIXSCO preferred shares in exchange for \$250,000 cash. This resulted in a premium on redemption of shares of \$249,975 which has been included in Canadian Cattlemen's Association Segment income for the year.

**17. SUBSEQUENT EVENT**

During the year, the Association voted to integrate the Canadian Beef Breeds Council as a division of the Association. This integration came into effect on July 1, 2020.

**18. SIGNIFICANT EVENT**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## Auditors' Communication on Supplementary Information

To the Board of Directors of Canadian Cattlemen's Association:

We have the following comments with respect to the supplementary information included in the attached schedules of the Canadian Cattlemen's Association for the year ended June 30, 2020.

### Management's Responsibility for the Schedules and Supplementary Information

Management is responsible for the preparation of these schedules, which are presented for the purposes of additional analysis and are not a required part of the Canadian Cattlemen's Association's general purpose financial statements.

### Auditors' Responsibility

Our audit dated October 6, 2020 of the Canadian Cattlemen's Association's financial statements for the year ended June 30, 2020 was not directed to the determination of the accuracy of the information included in the attached schedules. While such supplementary information has been subjected to the auditing process applied in the audit of the general purpose financial statements as a whole, we do not express a separate opinion on the attached schedules.

Calgary, Alberta  
October 29, 2020

MNP LLP

Chartered Professional Accountants



## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
Assessments (Schedule 2)	3,530,214	3,530,214	3,289,136	3,353,978
Legal assessments	600,000	-	600,000	214,773
Sponsorship	46,000	43,000	10,000	10,000
Interest	12,000	14,726	4,800	37,478
Other	-	-	-	-
CCA Associate Membership	-	-	18,000	21,000
Mastercard program	14,000	14,448	15,000	14,084
Young Leaders program	140,000	99,724	109,000	67,347
Young Cattlemen's Council	42,100	28,266	46,600	64,500
Town halls	-	16,458	12,000	12,000
International Beef Alliance	-	31	145,000	107,519
National Beef Strategy	22,400	20,344	23,485	23,485
Public and Stakeholder Engagement	-	-	486,239	355,175
Investment revenue	-	22,014	-	19,079
General revenue	-	-	-	130,345
Domestic agriculture policy	-	193,976	-	-
	4,406,714	3,983,201	4,759,260	4,430,763
<b>Expenses</b>				
Canadian Cattlemen's Foundation	-	55	-	52
CCA Segment services	299,426	250,688	327,785	368,049
Calgary office	1,138,131	1,116,379	1,327,715	1,255,148
Ottawa office	442,197	427,786	349,695	416,486
Legal reserve	600,000	-	600,000	214,773
Communications	62,000	46,769	55,651	51,009
Conventions	-	-	16,000	21,667
Town halls	12,000	-	12,000	6,066
Executive and finance	177,675	192,102	123,113	207,761
Advocate services	350,739	309,296	300,168	397,805
Annual meetings	90,000	117,212	87,800	92,603
Semi-annual meetings	92,000	82,775	67,200	60,692
Animal health and meat inspection	110,400	116,171	83,641	91,968
Animal care committee	-	-	19,704	29,023
Value creation and competitiveness	-	-	4,081	3,513
Foreign trade committee	74,100	40,047	72,100	67,890
Domestic agriculture policy	16,800	199,566	16,460	8,779
Young Cattlemen's Council	44,735	28,266	43,735	34,730
International Beef Alliance	51,500	13,763	196,500	152,408
Young Leaders development	95,300	99,724	90,000	97,116
Environment	41,730	35,225	36,930	53,017
National Beef Strategy	28,650	20,343	16,850	21,347
Public and Stakeholder Engagement	-	-	427,100	355,174
Food Policy	32,400	2,160	-	-
Special Projects	-	47,330	-	-
	3,759,783	3,145,657	4,274,228	4,007,076
<b>Excess of revenue over expenses before other items</b>	<b>646,931</b>	<b>837,544</b>	<b>485,032</b>	<b>423,687</b>
Premium on redemption of shares	-	-	-	249,975
<b>Excess of revenue over expenses</b>	<b>646,931</b>	<b>837,544</b>	<b>485,032</b>	<b>673,662</b>
<b>Net assets, beginning of the year</b>		<b>1,361,913</b>		<b>688,251</b>
<b>Special Projects reserve allocation</b>		<b>(202,645)</b>		<b>-</b>
<b>Public Stakeholder and Engagement reserve allocation (Schedule 9)</b>		<b>(40,000)</b>		<b>-</b>
<b>Net assets, end of the year</b>		<b>1,956,812</b>		<b>1,361,913</b>

## Schedule of Assessment Revenue

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
British Columbia	152,446	152,446	138,940	138,944
Alberta	1,735,847	1,735,847	1,835,700	1,835,700
Saskatchewan	722,400	722,400	599,540	599,540
Manitoba	308,355	308,355	271,920	258,001
Ontario	466,939	466,939	411,140	411,142
Quebec	115,488	115,488	-	90,824
New Brunswick	11,184	10,468	10,057	10,057
Nova Scotia	9,233	9,721	12,069	-
Prince Edward Island	8,322	8,550	9,770	9,770
	<b>3,530,214</b>	<b>3,530,214</b>	<b>3,289,136</b>	<b>3,353,978</b>

Schedule 3 – Canfax Market Analysis Division

## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
Subscriptions (Schedule 4)	259,920	256,814	251,400	243,715
Market information system – Alberta Beef Producers	42,600	42,600	42,600	42,600
Canadian Cattlemen's Association Segment dues	15,000	15,000	15,000	15,000
Alberta Beef Producers dues	21,000	21,000	21,000	21,000
Newswires	21,600	22,423	21,600	22,184
Interest	1,800	5,664	1,800	5,430
Grading Agency contract	2,160	2,852	2,400	2,400
Sponsorships	18,000	5,000	30,000	5,000
Miscellaneous	74,240	98,450	63,360	74,196
	<b>456,320</b>	<b>469,803</b>	<b>449,160</b>	<b>431,525</b>
<b>Expenses</b>				
Salaries and benefits	355,575	356,787	348,800	348,444
Travel, promotion and meetings	8,280	1,352	8,160	2,771
Postage	3,480	1,520	3,000	1,763
Telephone	4,800	3,638	4,200	3,363
Rent 39,540	38,011	39,540	38,792	
Office supplies, printing, computer and other	34,920	25,866	34,660	47,540
Newswires	3,600	3,477	6,600	3,323
Resource information	1,680	1,423	1,680	1,357
Amortization	6,690	3,061	7,275	8,676
Consulting fees	1,500	981	1,500	95
	<b>460,065</b>	<b>436,116</b>	<b>455,415</b>	<b>456,124</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(3,745)</b>	<b>33,687</b>	<b>(6,255)</b>	<b>(24,599)</b>
<b>Net assets, beginning of the year</b>		<b>59,847</b>		<b>84,446</b>
<b>Net assets, end of the year</b>		<b>93,534</b>		<b>59,847</b>

## Schedule of Subscription Revenue

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
Feedlot yearly	57,600	61,785	55,200	57,822
Feedlot monthly/quarterly	21,000	20,632	21,000	21,393
Associate/producer East	18,000	16,106	16,800	14,113
Associate West	102,000	100,105	100,800	95,098
Cow/calf	54,000	50,807	50,400	47,902
Trends	7,320	7,379	7,200	7,387
	<b>259,920</b>	<b>256,814</b>	<b>251,400</b>	<b>243,715</b>

Schedule 5 – Canfax Research Services Division

## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
CCA dues	25,000	25,000	25,000	25,000
Canada Beef Contract	56,500	57,875	56,500	56,500
Projects	75,500	130,839	80,500	90,020
Investment income	-	3,863	-	4,444
Other income	28,250	28,578	25,250	60,382
	<b>185,250</b>	<b>246,155</b>	<b>187,250</b>	<b>236,346</b>
<b>Expenses</b>				
Salaries and benefits	181,435	177,782	120,140	117,467
Rent	21,600	20,649	21,540	20,817
Office	8,070	9,224	7,830	10,414
Travel	8,040	6,931	8,040	6,894
Consultant	6,000	8,162	6,000	11,511
Amortization	1,440	676	120	215
Registrations	2,400	1,300	2,400	2,407
Projects	-	27,621	-	-
	<b>228,985</b>	<b>252,345</b>	<b>166,070</b>	<b>169,725</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(43,735)</b>	<b>(6,190)</b>	<b>21,180</b>	<b>66,621</b>
<b>Net assets, beginning of the year</b>		<b>189,716</b>		<b>123,095</b>
<b>Net assets, end of the year</b>		<b>183,526</b>		<b>189,716</b>



## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
Canadian Beef Check-Off (Rate of \$2.50 per head for 2020 and \$2.50 per head for 2019)	5,100,000	5,756,444	5,000,000	5,851,923
Interest	30,000	92,892	30,000	89,052
Cluster projects	569,856	558,253	660,923	775,652
Grants	165,125	169,042	241,000	312,405
Enhanced Verified Beef Production+	34,170	39,497	129,925	120,762
Verified Beef Production+ industry and market alignment	356,757	346,827	155,000	149,001
Investment income	-	264,113	-	249,926
	6,255,908	7,227,068	6,216,848	7,548,721
<b>Expenses</b>				
BCRC Division Services	990,104	956,942	831,745	724,836
Projects	2,332,633	1,291,873	1,945,273	2,012,604
Cluster projects	1,326,719	1,302,147	1,125,389	1,067,890
Enhanced Verified Beef Production+	629,748	452,938	604,860	520,665
Verified Beef Production+ industry and market alignment	356,757	347,487	155,000	146,107
	5,635,961	4,351,387	4,662,267	4,472,102
<b>Excess of revenue over expenses</b>	619,947	2,875,681	1,554,581	3,076,619
<b>Net assets, beginning of the year</b>		6,447,683		3,371,064
<b>Net assets, end of the year</b>		9,323,364		6,447,683

Schedule 7 – Beef Science Cluster

## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020	2019
<b>Revenue</b>		
Agriculture and Agri-Food Canada funding	2,865,757	2,674,395
Interest	16,779	21,147
	2,882,536	2,695,542
<b>Expenses</b>		
Administrative	233,104	255,204
Beef quality	-	-
Feed efficiency	531,231	527,072
Animal health and production limiting diseases	993,375	636,328
Project management	-	-
Forage and grassland productivity	480,544	435,317
Food safety	147,228	216,624
Technology transfer and information dissemination	235,145	356,163
Environmental foot print	261,909	268,834
	2,882,536	2,695,542
<b>Excess of revenue over expenses</b>	-	-
<b>Net assets, beginning of the year</b>	-	-
<b>Net assets, end of the year</b>	-	-

## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
Membership	252,000	307,331	224,000	290,347
Agriculture and Agri-Food Canada	600,000	488,597	600,000	605,397
Provincial Canadian Agricultural Partnership	350,000	339,516	250,000	250,000
Federal Canadian Agricultural Partnership	138,600	79,274	116,600	153,286
	<b>1,340,600</b>	<b>1,214,718</b>	<b>1,190,600</b>	<b>1,299,030</b>
<b>Expenses</b>				
Administration and membership	247,210	176,258	395,472	179,247
Multisar	600,000	488,596	600,000	605,397
Provincial Canadian Agricultural Partnership	350,000	339,517	250,000	250,000
Federal Canadian Agricultural Partnership	138,600	79,274	116,600	153,286
	<b>1,335,810</b>	<b>1,083,645</b>	<b>1,362,072</b>	<b>1,187,930</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>4,790</b>	<b>131,073</b>	<b>(171,472)</b>	<b>111,100</b>
<b>Net assets, beginning of the year</b>		<b>424,482</b>		<b>313,382</b>
<b>Net assets, end of the year</b>		<b>555,555</b>		<b>424,482</b>

Schedule 9 - Public and Stakeholder Engagement

## Schedule of Operations and Net Assets

For the year ended June 30, 2020

(Unaudited)

	2020 Budget	2020 Actual	2019 Budget	2019 Actual
<b>Revenue</b>				
National checkoff	520,000	613,981	-	-
Deferred revenue recognized in current year	200,000	235,225	-	-
	<b>720,000</b>	<b>849,206</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>				
Salaries and benefits	315,000	252,898	-	-
Rent	14,160	19,073	-	-
Office	130,295	57,346	-	-
Travel	25,250	23,461	-	-
Consulting / projects	70,295	69,006	-	-
Amortization	1,000	2,496	-	-
Communication	160,000	109,196	-	-
Registrations	4,000	3,575	-	-
	<b>720,000</b>	<b>537,051</b>	<b>-</b>	<b>-</b>
<b>Excess of revenue over expenses</b>	<b>-</b>	<b>312,155</b>	<b>-</b>	<b>-</b>
<b>Net assets, beginning of the year</b>		<b>-</b>		<b>-</b>
<b>Transfer from unrestricted assets of</b>				
<b>Canadian Cattlemen's Association Segment (Schedule 1)</b>		<b>40,000</b>		<b>-</b>
<b>Net assets, end of year</b>		<b>352,155</b>		<b>-</b>

## Prime Partners

### Partners Program

The CCA Partners Program is a corporate membership program for organizations wishing to affiliate themselves with the CCA and the Canadian beef industry. In addition to showing support for Canadian cattle producers, the program provides the opportunity to participate on issues affecting the industry. As a non-voting member, the partnership provides a unique method to foster valuable relationships with those involved in the cattle industry.

The program offers three levels of partnership – Prime, AAA, and AA, allowing organizations to select a level of involvement that complements their corporate sponsorship goals.

With the support of corporate partners, the CCA will continue to work toward a dynamic, profitable Canadian beef industry with high quality beef products recognized as the most outstanding by customers at home and around the world.

### Prime Partners



#### **Farm Credit Canada**

##### **About Farm Credit Canada**

FCC is Canada's leading agriculture lender, with a healthy loan portfolio of more than \$36 billion. Our employees are dedicated to the future of Canadian agriculture and its role in feeding an ever-growing world. We provide flexible, competitively priced financing, management software, information and knowledge specifically designed for the agriculture and agri-food industry. As a self-sustaining Crown corporation, our profits are reinvested back into the agriculture and food industry we serve and the communities where our customers and employees live and work while providing an appropriate return to our shareholder.

Visit [fcc.ca](http://fcc.ca) or follow us on Facebook, LinkedIn, and on Twitter @FCCagriculture.

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#### **MNP**

MNP is a leading national accounting, tax and business consulting firm for Canada's agriculture industry. We have invested for time and resources into understanding agriculture than any other firm. With more than 18,000 agriculture clients and a team of over 600 agriculture specialists, MNP delivers a diverse suite of services to protect farmers and maximize results.





## Partners and Sponsors

## AAA Partners

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Vytelle is a precision livestock company reshaping how cattle producers worldwide optimize their herds.

Through Vytelle's integrated technology platform, generations of genetic gains can be made in just a few years. This allows producers to sustainably deliver more protein with fewer inputs, helping to ensure meat and milk are viable, competitive food choices for future generations.

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