



Western Stock Growers' Association

NEWSLETTER

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PRESIDENT'S MESSAGE

Looking through my calendar and note books over the past few months highlights the fact that we have been pretty busy. It makes me ponder on the reoccurring themes of leadership, accountability, ecological/environmental goods and services, market place, grass roots, strategic alliances and the need to continually challenge the status quo. We have expressed our ideas on land use in consultations and directly with the Minister of Environment and Sustainable Resource Development Diana McQueen and met the Energy Minister Ken Hughes jointly with the Pekisko Group. All of these endeavors and themes keep coming back to the balance between the rights and needs of the public and the stewards of the land.

How do we balance these interests? Our current leadership in Edmonton suggests a top down approach mandating land use through legislation. Our approach considers the stewards first and foremost and would rather enable the steward rather than use punitive regulation. So on goes the endless conversations and consultation.

We have been busy with our book and although it doesn't appear it will be finished by the Beef Industry Conference,

I am hopeful for late spring. So far the finished chapters are an interesting read and I can't wait until it is finished.

We have lost a few friends over the winter, Alan Evans has been a great friend and resource to the WSGA, Corrine Schmidt, wife of Feeders Association manager Reg Schmidt, and Tom Crow, long time LIS brand inspector all left us far too early in life. Our prayers are with these families and we are grateful for their contribution to our industry.

I am looking forward to our February 20 AGM in Banff before the Beef Industry Conference. The last two years have sped by with rocket speed and although we never actually left orbit, plenty of ground has been covered.

Cheers,

Phil Rowland

Western Stock Growers' Annual General meeting

The WSGA AGM is scheduled for **February 20, 2013** from 3:00 to 5:00 at the Banff Springs Hotel. The AGM will be a great kick-off to the Alberta Beef Industry Conference so we hope you can join us.

For the business end of the meeting, we have three directorships up for election; two director-at-large positions and the Zone 6 director position. Please send your nominations to Lindsye at the WSGA office. Additionally, if there are any resolutions to be presented at the AGM, please submit them to the WSGA office.

The WSGA is pleased to have Sheri Monk as our guest speaker. Sheri has been involved in the beef industry for many years as an investigative journalist and she is the

author of the book the WSGA is currently writing. Sheri's presentation will be more of an open forum on the beef industry and we are expecting the discussion to be very stimulating.

Notice of Constitution Amendment

Currently the constitution states the WSGA head office shall be located in the City of Calgary. With the WSGA giving up bricks and mortar in favour of a virtual office, this has required a change. A motion was put forth at the November board meeting to amend the constitution to have the head office location decided at the discretion of the board. This amendment will be voted on for ratification at the AGM.

Bringing Accountability to the Industry

Submitted by Bill Hanson and
Bill Newton

January is one of two months in which producers have an opportunity to bring accountability to their mandated industry organization – Alberta Beef Producers (ABP); they can do this by choosing where their check-off dollars best represent their business interests. This is done through the refundable check-off with July being the other month in which producers can claim a refund of the levy deducted in the previous six months. The refundable check-off has been in place since the spring of 2010, however it has not been used to any great extent by cow / calf producers. The reason most producers give is that they believe the dollars they give are not large enough to make a difference. This is wrong; it is not only the dollars but the message sent to an organization when a producer asks for a refund.

March 31, 2013 marks the expiry of the Memorandum of Understanding between Alberta Cattle Feeders' Association (ACFA) and Alberta Agriculture that reinstated the non-refundable provision to the one dollar of national check-off included in the three dollars per head deducted on every sale in Alberta. In the absence of an extension this dollar will become refundable again. ACFA initially agreed to the MOU because of certain objectives such as collecting the levy on beef products imported to Canada, and an effective governance model for the organization funded by the national check-off – Canada Beef Incorporated.

In September, the Canadian Agri-Food Policy Institute issued a report on Canada's Beef Food System (full report available at www.wsga.ca). The report reveals some disturbing trends: an extreme drop in net exports to the US, Canadian producers' share of the domestic market declining, imports increasing, value of exported product \$2.81 per kg lower than imported product, U.S. exports to countries other than Canada up by 280% while Canadian exports to countries other than USA increased 45% (value basis since 2005), and Alberta cow / calf returns negative seven years and positive three years since 2002. Those returns were projected to be positive for 2012 as well, but that was before the XL Foods beef recall.

The XL fiasco overshadowed the CAPI report, but in part it showed that there is some accountability in our industry. XL was held accountable and rightfully so but what of CFIA? Were not there 40 odd inspectors responsible for seeing that the XL plant performed to our high food safety standards? And what about Minister Ritz's role? The review with independent food

safety experts initially promised by CFIA is not happening. Instead through Order – In – Council the government is appointing members to a review committee. Apparently they are almost ready to announce the membership some five months after the wreck began. While their committee may be more independent of CFIA it will hardly be independent of government. Will this bring accountability? Consumers once again supported the beef industry through the XL issue. We believe the consumers believe in the ranchers - the grassroots producers - and we owe it to their loyalty to see that there is accountability. We can ill afford another wreck that will jeopardize our industry and the faith of our consumers.

Everyone involved in the recall now admits that they "learned lessons". The media circus that spun out of control inflicted real collateral damage. Our marketing agency, CBI, formed a communications committee to develop a consumer communications strategy about the time of the JBS management announcement, but with that announcement they decided to delay the communications until they could work jointly with JBS and other packers to restore consumer confidence.

Meanwhile, we have the *Safe Food for Canadians Act* (Royal Assent Nov. 22, 2012) described as short, simple and enabling, it allows cabinet and the regulator to fill in the details through regulations yet to be developed. The JBS purchase of XL is welcome but one question the viability of our future. We still need more competitiveness in our processing sector, which is usually at the front of the line for the regulatory burden that both current and future regulations prescribe. There is little hope for value chains and branded products that the consumers of today are looking for – they need a reliable and willing processor to partner with. Premier Redford and Minister Horner are facing the fall-out of over reliance on a single marketplace and infrastructure limitations on product distribution. Those same conditions exist for Canada's beef industry.

The Balzac beef processing plant is our industry's Northern Gateway pipeline. While a legitimate and viable operation appears poised to purchase and run the plant, the deal is stalled because there is no longer a water license associated with the real estate. Water supply there continues to be a political football between adjacent jurisdictions in what seems to be a match with no referee. It does however very nicely

Accountability (continued)

demonstrate the impact a statutory consent can have on the value of a titled property.

The buzzwords of today for industry and government are 'sustainability' and 'succession'. As we struggle to achieve what should be among the highest priorities in a successful business, we are frustrated by a lack of profitability. The CAPI report centered around three key themes –the need for a strategy, the need for alignment, and the need for leadership. The lack of leadership combined with no forward plan or goals for the industry is crippling

our industry. We need accountability from all of our organizations and regulators.

These are a few questions to ask yourself about our industry and its future. If you're interested in the future, succession and sustainability in your operation use your refundable check-off to help your industry. At the very least read the CAPI report and get involved. If you're not part of the solution you're part of the problem!

A study into Canada's beef food system

The following has been excerpted from the Executive Summary of the CAPI report Canada's Beef Food System.

Canada's beef sector needs a robust, long-term strategy – and a sustained commitment to execute the strategy – if it wishes to secure its place as a competitive force in domestic and global markets. For this report, the Canadian Agri-Food Policy Institute (CAPI) undertook a comprehensive study of Canada's beef sector. The feedback indicates that Canada does not possess such a strategy for the beef sector. The research also indicates that the sector is foregoing economic opportunities and its competitive position is falling behind. There is a prevailing view among many in the beef sector that a course correction is required. Stakeholders are keen to have a new dialogue on strategy. But this discussion can only occur if leaders in the sector are willing to act.

The Canadian beef sector has rallied in the past. After reeling from the 2003 BSE crisis, the sector came together and, working with government, found a direction forward. But the marketplace has since moved on, and the sector faces many new challenges, of which our balance of trade with the US is a paramount concern. CAPI has identified "three pertinent questions" and, based on our research, offers in this report responses

and key strategic questions for the beef sector to consider. The prospects of the Canadian beef industry may well depend on how the sector responds to these questions.

In our interviews, many beef stakeholders told us that the sector is operating without a strategy, that there is minimal collaboration, no vision, no sense of common objectives and fragmented leadership.

A long-term strategy is needed to build the beef brand and to generate consumer trust in the product and production processes. In short, while building on the progressive steps already underway, Canada's beef sector needs to decide how to position itself in this ever-changing marketplace. Continued indecision will rob us of our very real opportunities.

Our objective is to help create the conditions for a new dialogue to occur across the beef sector. CAPI's role is not to prepare the sector's strategy but to present ideas for such a strategic dialogue to occur.

**Note the full CAPI report is available as a pdf on the WSGA website.

Land Use Comments

Submitted by Tom Gilchrist

Sections 4.2.1, 4.6.2.3 and 5.3.14.2 of the Regional Advisory Council (RAC) for the South Saskatchewan Regional Plan (SSRP) report recommend enhancement of economic viability, best possible use of land, conservation and stewardship tools including economic market based incentives. These are laudable goals for ranchers that use public grazing lands as their primary grazing resource. The report concentrates on establishing Integrated Conservation Management Plans for those areas of the native grass resource contained in rancher's grazing leases.

Public Lands staff has managed those areas in consultation with the lessees for the last 50 years. The large leaseholders, especially, have maintained their grass resource for the people of the province and themselves in a fashion that is a credit to Public Lands regulations, Public Lands staff and the ranching community. The Multisar projects carried out on cooperating ranches have documented the fact that the plant community and wildlife, including endangered species, are being maintained for the long term under the present grazing regime.

The grass and wild life on public land leases have been enhanced over the last 50 years under the present management system.

The RAC recommends the establishment of Integrated Conservation Areas complete with management plans. Recent history shows us that the man-

agement committees for plans established for Natural Areas and Ecological Reserves seldom meet. Leases cover 2.16 million acres or 10.4% of the South Saskatchewan plan area. An army of Public Lands staff will be required to implement and manage the ICAs. The RAC thinks that no management of the native grass resource is presently in place. That is not correct. The present state of the resource and its management couldn't be better.

Research from North Dakota State University has indicated partial defoliation of grass by livestock grazing during the vegetative growth stages of grasses is instrumental in mineral nitrogen fixation. That available nitrogen provides a huge boost to plant production, even in poor precipitation years. No grazing during the growth period of grasses is a detriment to long-term annual forage production.

The present management system for leases has provided stability for the ranching industry, very adequate and demonstrated protection of the plant community and associated wild life, including endangered species. The proposed ICA philosophy contained in the RAC report is a very serious retrograde step following 50 years of excellent Public Lands lease administration.

**Tom's full article is available on the Reports and Documents page on the WSGA website.

Upcoming Events

January 29, 2013

Bear and Wolf Information Meeting • M.D. of Ranchlands Administration Building • 2:00 pm

This is an information meeting for landowners held by the Carnivore Working Group. Speakers include Jeff Bectell, CWG Coordinator; Andrea Morehouse – Grizzly Bear Monitoring Project Coordinator and Dave Ausband – Montana Cooperative Wildlife Research Unit.

January 30, 2013

ABP Cattle Industry Council mini-conference • Port o'Call Hotel • Calgary • 1:30 pm

There will be presentations from the following:

- Mark Klassen, Canada Beef Inc will talk about sustainable food strategy and how consumer confidence in beef products can be measured and what they mean with respect to the XL beef recall.
- Dr. Harpreet Kochhar, Executive Director of the Western Area Operations will talk about the new inspection model and hopefully update us on CFIA issues.
- Dr. Ellen Goddard from the U of A will discuss an economic assessment of traceability and genomics as compared to the RFID method.
- Cameron Bruett, Chief Sustainability Officer, JBS USA, Fort Collins will talk about Canadian beef fundamentals in a North American market.

Anyone interested is certainly welcome to attend but please contact Fred Hayes at 403-541-1181 to ensure sufficient seating.

February 5, 2013

Alberta Forage Industry Network AGM • 9:30 am to 4:30 pm • Ponoka

Guest speakers include Duane McCartney and Arnold Mattson

February 21 to 23, 2013

Alberta Beef Industry Conference • Banff Springs Hotel • Banff

For more information and to register, go to www.abiconference.ca

February 27, 2013

Alberta Grazing Leaseholders Association AGM • Medicine Hat Lodge • 1:00 pm start

Guest speaker ESRD Minister Diana McQueen

March 21 & 22, 2013

Alberta Farm Animal Care Livestock Care Conference • Executive Royal Inn • Calgary

For more information go to <http://lcc.afac.ab.ca>

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