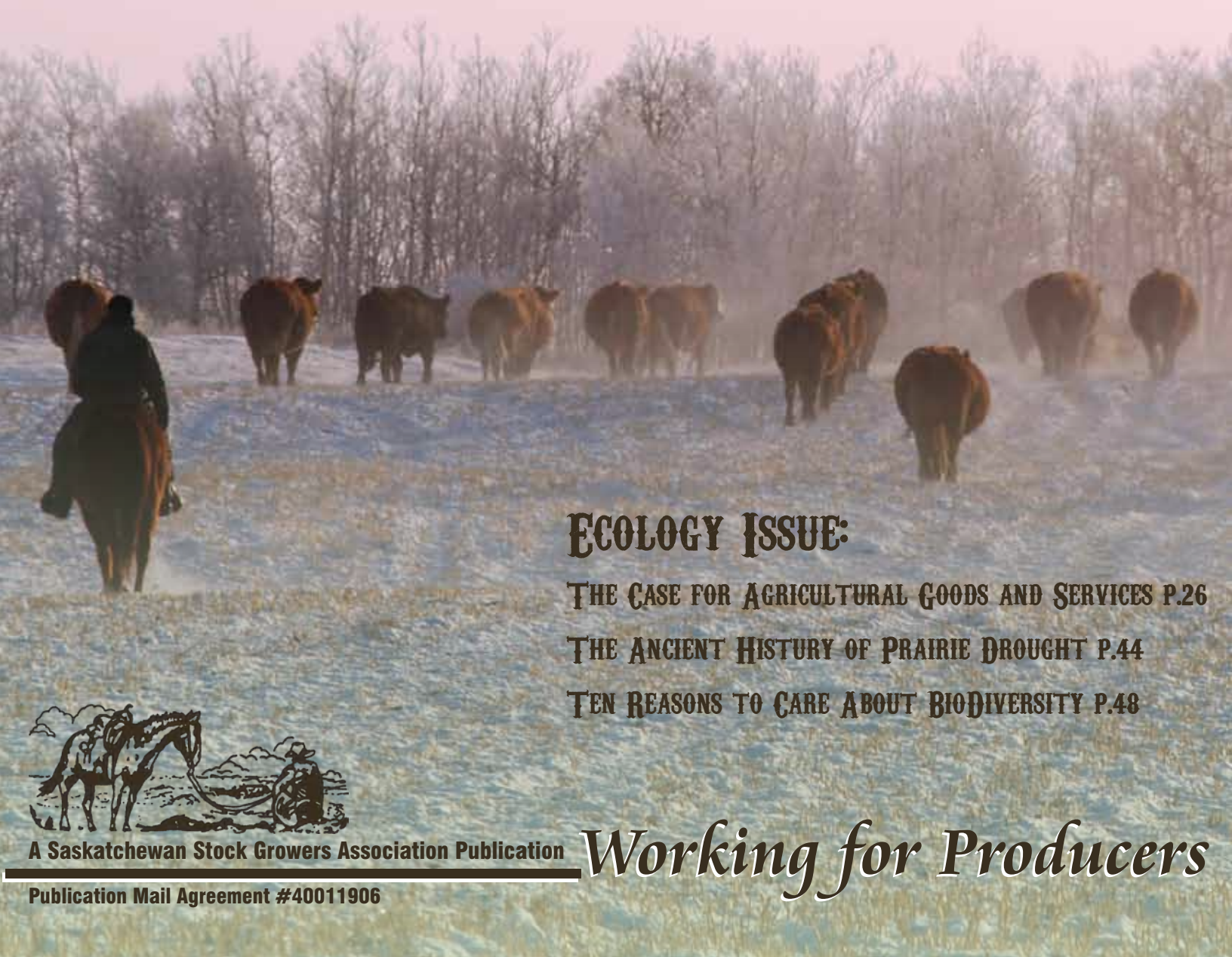


BEEF BUSINESS

SASKATCHEWAN'S LARGEST CIRCULATED CATTLE INDUSTRY MAGAZINE

MARCH 2010



ECOLOGY ISSUE:

THE CASE FOR AGRICULTURAL GOODS AND SERVICES P.26

THE ANCIENT HISTORY OF PRAIRIE DROUGHT P.44

TEN REASONS TO CARE ABOUT BIODIVERSITY P.48



A Saskatchewan Stock Growers Association Publication

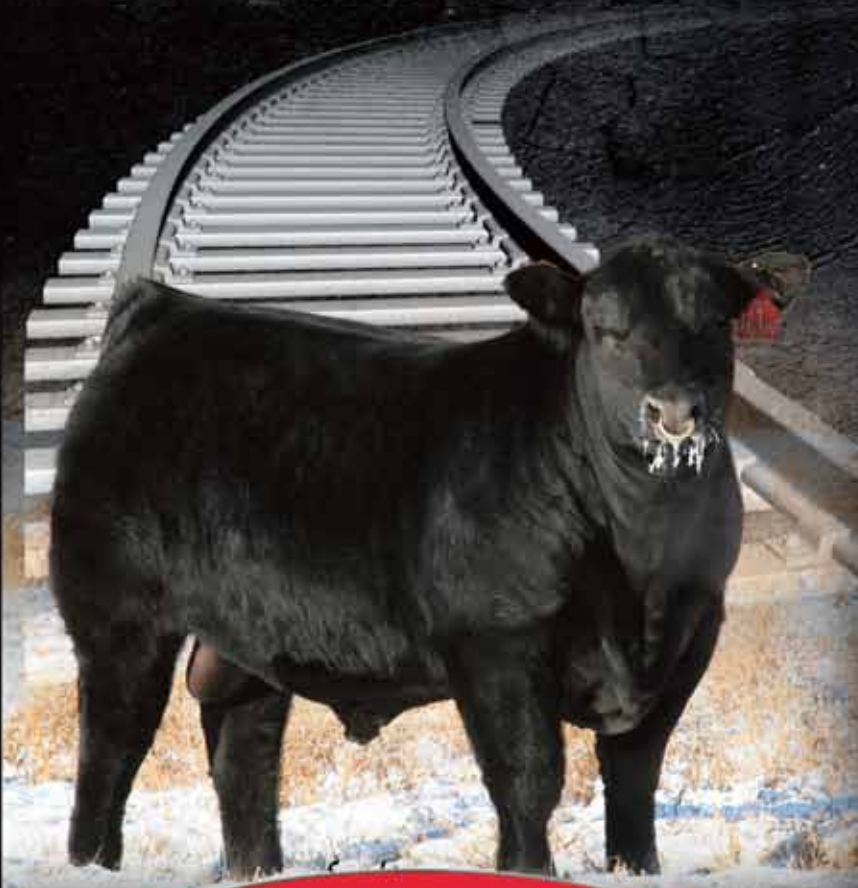
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EPDS: BW 0.8 WW 35 YW 64 M 15 TM 32



S: Red Corner Creek Cash 2R • MGS: Red Geis Knight Hawk 14'02
EPDS: BW 1.4 WW 44 YW 76 M 13 TM 34

“no money in the cow business...
unless you're selling pounds.”

“At my age my cows have to calve on their own. But there is no money in the cow business unless you're selling pounds. My red cows with Charolais bulls help me achieve this and also make my calves consistent in colour and type.”

Craig Jensen runs a commercial cowherd at Mildred, Saskatchewan. He is able to source his red females as heifer calves for less money than he sells the Charolais heifers for. One thing that makes Craig proud is the consistency of the colour and type of calves which enables him to sell one owner drafts in the presort sales.



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The dam of Bold



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PEAK DOT PREDOMINANT 214U

BW: 78lbs 205DWT: 708lbs 365DWT: 1214lbs

PEAK DOT PENDLETON 25W



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WW +55
YW +99
MILK +19



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muscle and thickness.*



PEAK DOT PREDOMINANT 231U

BW: 85lbs 205DWT: 684lbs 365DWT: 1118lbs

PEAK DOT ENCORE 24W



BW: 81lbs 205DWT: 767lbs

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or phone

Carson Moneo Clay Moneo
306-266-4414 306-266-4411

Fax 266-4930

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PEAK DOT PREDOMINANT 213U

BW: 80lbs 205DWT: 749lbs 365DWT: 1240lbs

PEAK DOT GRASSLANDS 40W



BW: 92lbs 205DWT: 894lbs

*130 Big Rugged Bulls
The April 7, 2010, sale will
feature 130 performance
bulls from our fall program
as well as a powerful set of
yearling bulls from our
embryo program.*



Cover photo courtesy of McMillen Ranching Ltd. Carievale, SK

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US Meat Institute Slams COOL

“US mandatory country of origin labeling rules violate international trade agreements.” For Canadian cattle producers there is nothing novel about that statement except that it in this instance it comes from a major player in the U.S. meat packing and processing industry.

COOL got the cold shoulder on January 8, 2010, when Mark Dopp, a senior vice president for the American Meat Institute (AMI), told the Office of the US Trade Representative that if the US wishes to remain credible when it comes to challenging the trade rules of countries that want to limit imports of American beef, it needs to play fair when its trading partners attempt to sell beef into the US.

The AMI V.P. added that “COOL is inconsistent with trade agreements because of its discriminatory effect on imported meat and imported live animals” and that “the US must ensure that products of other countries imported into the territory of the US be accorded treatment no less favorable than that accorded to like products of US origin.”

The AMI is a powerful voice in the American meat industry. Its membership accounts for 95% of the red meat and 70% of the turkeys processed in the United States. The AMI’s January statement lends added credibility to the anti-COOL WTO trade actions launched by Canada and Mexico by stating that “COOL affects the internal sale of meat derived from foreign animals in the United States by creating notable disadvantages in selling imported foreign meat, as well as selling foreign animals to US meat packing facilities.”

As far back as November of 2008 when the Canadian Cattlemens’ Association and affiliates like the Saskatchewan Stock Growers began actively pushing Ottawa to launch a challenge of COOL in the trade tribunals, officials like Brad Wildeman indicated that a successful outcome would require Canadians to demonstrate that COOL was damaging to our cattle industry. Having the AMI inside in helping to make our case is a welcome development. 



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Labour Federation Calls For XL Boycott

The Saskatchewan Federation of Labour (SFL) has asked its affiliate members to boycott meat produced by XL Foods.

In its news release announcing the boycott the provincial labour group, whose affiliates account for around 100,000 of the province's unionized workers, encouraged people to ask restaurateurs and food retailers where they buy their beef, and "if the answer is XL Foods, consider another product."

In the unlikely event that a significant number of people were to get on board with the boycott, beef sales from all suppliers would suffer. That's because many retailers (and their customer service level employees) won't know if their meat originated at an XL plant. Retailers often buy through wholesale distributors who have their own brands or offer generic product. And even if a retailer knows which packer processed his beef, there is still a strong likelihood it will have come from XL – besides XL

and Cargill there just aren't that many suppliers left in business (see **Beef Business** Nov. 2009).

According to SFL President, Larry Hubich, the boycott is in response to XL's failure to return to the bargaining table since locking out its employees last fall. The lockout was prompted by the employees' rejection of a contract offer from XL in October 2009.

Norm Neault an official from United Food and Commercial Workers (UFCW) Local 1400, told **Beef Business** that XL's Moose Jaw employees have been working without a contract since January of 2009. After a five month (April – Sept. 2009) plant shutdown the company presented a new contract offer that called for reduced benefits, compulsory overtime and fewer guaranteed hours per week (see **Beef Business** Nov. 2009).

UFCW 's Local 401 represents workers at XL's Calgary plant who are currently in contract negotiations with the

company. UFCW also represents workers at XL's Brooks plant and employees at Cargill's High River operation.

Ironically, if the SFL boycott managed to garner significant consumer support nationally, a portion of the impact of lost beef sales would be borne by employees in other UFCW unionized plants in western Canada. It would be a case of the union teaching the boss a lesson by penalizing its own members – members who apparently have mutually acceptable collective agreements with the employers.

Scuttlebutt in the cattle industry has held that since it purchased the Lakeside plant at Brooks, AB, XL has contemplated mothballing at least one of its two smaller Canadian operations (either Calgary or Moose Jaw). It should be added, however, that XL's Brian Nilsson has consistently told Saskatchewan Stock Growers that the company's long term intention is to see the Moose Jaw plant operating (See **The Stockgrower** July 2009). ☞

R-CALF – Takes a Licking But Keeps on Kicking

There are a lot of uncomplimentary labels that Canadian beef producers could legitimately hang on R-CALF but "quitters" isn't one of them. After failing in its bid to prevent the current set of relaxed post-BSE trade rules from going into effect in 2007, and the growing likelihood that COOL will be overruled at the WTO, R-CALF has come up with a new gambit for frustrating Canadian beef imports into the US.

In a January 28 letter to the US Department of Agriculture R-CALF

argued, "We believe Canada's subsidies on beef and cattle constitute an artificial propping up of the Canadian cattle industry that is unsustainable at its present size but for those government subsidies."

R-CALF goes on to call for immediate corrective measures to protect US producers "whose markets are being severely depressed by Canada's artificial maintenance of excessive cattle supplies."

In a classic example of the pot calling the kettle black, R-CALF provided a list of various initiatives Canadian governments have taken to support producers. R-CALF doesn't mention that those measures were often taken in reaction to unfair US trade restrictions, or that R-CALF itself staunchly supported them. R-CALF's news release extolling its position is moot with respect to agricultural subsidies in the US, which dwarf anything that Canadian producers could ever wish for. ☞

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EU's COOL Rules Raising Hackles in UK

A recent study by the UK's Food Standards Agency (FSA) has added fuel to debates surrounding the EU's country of origin labeling system.

Technically, all the EU's COOL laws require on a food label is the "location of last substantial change."

The FSA, on the other hand, supports voluntary guidelines that require country of origin labeling for meat to explain where an animal was born, raised and slaughtered.

The FSA study found that the current labeling system was "misleading" and confusing to customers since nine out of ten shoppers surveyed were unclear about what the labeling meant. Around half the consumers surveyed thought the label referred to where animals

were farmed, others thought it meant where they were slaughtered.

According to a Jan. 15 report by *Meat International*, the labeling debate gained traction in the UK when consumers objected to a corned beef sandwich sold by Marks and Spencer which had been labeled with a Union Jack, when the meat actually originated in South America. In another instance, the UK retail food giant Tesco came in for criticism when chicken dinners were labeled "produced in the UK," when the chicken meat actually came from Thailand.

The existing EU rule stipulating the identification of the "location of last substantial change" is somewhat similar to the compromise reached in 2008 between then US Secretary of

Agriculture, Ed Schafer, and Canada's Ag Minister Gerry Ritz, whereby the "B" and "C" categories under COOL would be merged. Under the compromise the separate "A" category would remain in effect for beef born, raised and processed in the US. And the "D" category would remain for beef born, raised and processed outside the US. Originally, "B" cattle were those born in Canada but finished and processed in the US. The "C" grade was for cattle born and raised in Canada but slaughtered in the US.

However, following the inauguration of the Obama administration it became unclear whether the US would honour the Ritz-Schafer compromise, leading to Canada's decision to launch a WTO trade challenge against US COOL. [Rt](#)

Organic Outrage

Apparently some Canadian organic beef producers hoping to cash in on increasing consumer food safety awareness have been disappointed by Loblaw's. According to a Feb. 9 report by Sheri Monk in *The Badger*, the Loblaw's group of companies has launched an organic program (President's Choice *Free From* line) but is sourcing its beef from the US.

The article quotes an organic producer who was upset that Loblaw's had chosen US organic beef over his Alberta-grown product, apparently due to price.

One might respond to *The Badger's* surprise and well-meaning concern with respect to Loblaw's purchasing practices by saying, welcome to the real world of beef production. Should anyone really be surprised that the motherhood mantle of "organic" does not entirely vaccinate producers against the same lopsided trade arrangements and tough market conditions that the rest of the industry contends with? [Rt](#)

Italians Love Their Horses

– **they're just trying to decide whether they like them best with tomato sauce or gamboling about in pastures.**

It looks like tens of thousands of Italian horses destined for slaughter could receive a reprieve from their country's parliament. Italy has the highest rate of horsemeat consumption in Europe. They eat 231,000 head of domestically reared horses annually.

An anti-horsemeat bill sponsored by Italy's agriculture minister appears to have cross-party support in parliament. According to a Feb. 8 report in *Meat International*, the minister says the dignity of horses suffers when people eat them. As one might expect, connoisseurs of filly filets are reacting negatively to the proposal.

Passage of the legislation could be good news for producers of red meat alternatives to horse, although Italy's animal rights activists will no doubt move on to defending the dignity of pigs and cows. [Rt](#)