



Manitoba Beef Producers' Submission re: Provincial Pre-Budget Consultations January 2013

Manitoba Beef Producers:

- Manitoba Beef Producers (MBP) is a non-profit organization with a producer-elected board consisting of 14 directors, each representing cattle producers in a specific region or district.
- MBP represents approximately 8,000 individual cattle producers involved in various aspects of the beef cattle industry, including the cow-calf, backgrounding and finishing sectors.

The importance of the agriculture industry to Manitoba's economy is undeniable:

- Agriculture drives a significant portion of Manitoba's GDP and is one of the single largest wealth-generating activities in the province.
- Beef production represents Manitoba's single largest agricultural sector in terms of the number of individual farm operations. The industry plays a vital role in the maintenance of Manitoba's economic and environmental sustainability.
- On an annual basis Manitoba's beef cattle industry purchases more than \$300 million in feed. Beyond feed, beef producers purchase \$225 million in operating inputs each and every year. The value of goods and services demanded by Manitoba's beef operations is approximately \$635 million annually.

Anticipated fiscal restraint means the Government of Manitoba in Budget 2013 may implement measures that relieve its own fiscal pressures but which could result in increased costs or reduced services to individual Manitobans and across sectors.

In this document, Manitoba Beef Producers has identified a number of programs and services that are of critical importance to the long-term sustainability of the province's beef industry.

Programs that are timely, relevant, predictable and bankable provide the greatest value to Manitoba's beef producers, creating a more vibrant industry which in turn benefits the overall provincial economy. MBP looks forward to working with the provincial government on the development of programs that provide multiple benefits to industry and government alike.

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MANITOBA CATTLE PRODUCERS ASSOCIATION

A. Flood and Drought Compensation

- The effects of the 2011 flood continue. There are still a significant number of **outstanding flood compensation claims**. Beef producers incurred considerable flood-related costs, forcing some to exit the industry outright. MBP requests that all outstanding flood claims be paid as quickly as possible so damage to the beef industry is not compounded any further.
- Additionally, thousands of acres remained flooded in 2012, affecting pasture and forage production. Affected beef producers require assistance to purchase forage and/or move their herds to areas that have adequate feed. This is not a handout. These producers accepted water on their land so that other areas of Manitoba were not flooded.
- There must be cooperation between the governments of Manitoba and Canada to deliver a 2012 **forage shortfall and transportation assistance program**. Ideally this should have been accomplished months ago to ensure producers have the ability to preserve their herds.
- MBP is seeking a program similar to the shortfall program instituted in 2011. It would assist livestock producers who are experiencing extraordinary costs due to the forage shortage caused by flooding or excess moisture conditions that began in the spring of 2011.
- It would provide assistance to producers with shortfalls in the forage production needed to maintain the feed requirement for their livestock over the 2012/13 pasture and winter periods.
- Consideration should also be given to providing similar **assistance to producers with forage shortfalls due to drought conditions** in several areas of Manitoba.
- A transportation assistance program would help producers facing high shipping costs due to forage shortages caused by extreme moisture conditions that began in the spring of 2011.
- The program would take into account extraordinary transportation costs incurred from April 1, 2012 through March 31, 2013. Assistance would flow upon the submission and approval of an application from a producer.
- Time is of the essence. Manitoba's beef industry cannot afford more downsizing and needs a clear signal that governments are committed to compensation for flooded producers.
- Recovery from the 2011 flood will take considerable time and resources. Restoration of pastures and forages has only just begun. Beef producers need assurances there will be government support as part of this process.

B. Water Management Strategies

- Long-term water management strategies are required both to help reduce the risk of future flooding and to provide for access to stable water supplies in the event of a drought. MBP welcomes the opportunity to provide input into the development of these strategies.

- Lake outflows need to match inflows. Existing infrastructure and control structures do not allow for appropriate upstream and downstream water management. MBP is again requesting the provincial government **create a second outlet** to match the flow of the Portage Diversion to alleviate water from the flooded lakes.
- Regarding the **Shellmouth Dam** and associated flooding, MBP believes producers in the Assiniboine Valley deserve predictability on the operation of the Shellmouth Dam. MBP is requesting that an operating plan for the Dam be made public.
- Further, MBP requests compensation owed to producers affected by artificial flooding related to the operation of the Shellmouth Dam be paid swiftly.

C. Disaster Financial Assistance

- MBP believes governments must work together to revise the Disaster Financial Assistance (DFA) program to meet the needs of modern agriculture operations.
- Currently, producers with a net income of over \$2 million are not eligible to apply under the DFA Program. MBP believes the program should be amended to remove eligibility restrictions based on a producer's revenues. Potential artificial geographic restrictions that could render some Manitobans ineligible in certain instances also need to be reviewed.
- Allowances must be made in the DFA to allow for compensation to flow to Canadians when the impact of a disaster extends beyond a 12 month period.
- The 2011 floods and high moisture conditions in Manitoba are a clear demonstration that the DFA is outdated and does not meet the needs of the industry. Reform of Disaster Financial Assistance is necessary so the federal government can move away from emergency *ad hoc* programs. A modernized standing disaster assistance program that is effective, has known criteria and known compensation levels is necessary.

D. Manitoba Beef Industry Priorities Under Growing Forward 2

- MBP has appreciated the opportunity to meet with provincial and federal officials about the development of the Canada/Manitoba bilateral agreement under Growing Forward 2.
- MBP top priorities during the Growing Forward 2 consultations were:
 - Implementation of a Cattle Price Insurance Program
 - Increased spending for research and innovation
 - Improved market access
 - Adequate funding for non-BRM Programs
- MBP is generally pleased with the GF2 agreement, such as the commitment to develop a **livestock insurance program**. Among its merits, such a program would:

- Benefit all sectors of the beef industry, including cow/calf, backgrounder or grassers and finishers;
 - Provide an avenue for the provincial government to move away from ad hoc and disaster relief programs not budgeted for;
 - Backstop the livestock cash advance payment program and be a risk management tool for young farmers who do not qualify for AgriStability.
- MBP remains committed to working with governments on the timely delivery of a Cattle Price Insurance Program and looks forward to seeing program details in Budget 2013.
 - MBP is pleased with the 50 per cent increase in support for **non-Business Risk Management programs** under GF2.
 - MBP is seeking ongoing support for several **non-BRMs programs**, including the development of **food safety, biosecurity and traceability standards and systems**. These types of programs help boost producer confidence at home and cultivate market access outside Canada.
 - MBP would like to see commodity organizations involved in the administration of the non-BRMs under GF2, that is, control passed back to producers and MBP should be administering the delivery of programs like Verified Beef, environmental farm plans, biosecurity, etc. The lack of producer-administered programs in Manitoba in GF 1 led to challenges not experienced in other provinces, such as the exhaustion of the on-farm food safety funds.
 - GF2 also contains commitments related to **environmental sustainability**. Manitoba's cattle producers provide valuable ecosystem services as they manage tens of thousands of acres of working landscapes, including both privately-owned and Crown lands.
 - The provincial government has also signaled through initiatives such as *TomorrowNow – Manitoba's Green Plan* and the consultation document on *The Green Prosperity Act* that it is interested in environmental goods and services. And, it has signaled its commitment to develop partnerships with the agricultural industry in this area.
 - MBP has been a leader for many years on the development of detailed proposals for environmental and rural stewardship incentive programming. We continue to advocate for the introduction of province-wide Ecological Goods and Services programs. It is our position that incentive-based programming aimed at the preservation of wetlands, protection of species at and critical habitat and other societal goals are best accomplished through incentives-based approaches rather than heavy-handed regulation.
 - MBP is again requesting the Manitoba government make ongoing **budgetary commitments to ecological goods and services programming**. MBP is prepared to provide detailed input into the form these programs could take, recognizing the benefits they can provide to producers, the environment and public policy makers alike.
 - MBP supports the continuation of the **Environmental Farm Plan program** and is prepared to offer input into the types of BMPs most beneficial to the beef industry.

E. Market Development, Trade and Value Added Processing

- The focus on **increased market development and access** in GF2 is also welcomed by MBP. Canada exports approximately 50% of its beef production. For Manitoba, this number is much higher, approximately 80%. Efforts by governments – particularly at the federal level – to grow market access have produced positive outcomes and must continue.
- MBP strongly supports increased market access through trade negotiations. Mandatory Country of Origin Labeling (mCOOL) legislation in the United States demonstrated the need to see increased diversity in our export markets. Manitoba livestock industries were significantly impacted by the restrictions imposed by mCOOL. MBP is very pleased by the World Trade Organization’s ruling on this issue and looks forward to unrestricted access to the U.S. market.
- MBP also knows the value of marketing options. Enhanced trade with other key markets, such as the European Union and countries in the Asia Pacific regions could play a crucial role in diversifying our market base and adding value for beef producers.
- MBP would be remiss if we did not raise a significant concern of our members; that we might be left behind in ongoing and/or future trade agreements.
- It is not a secret that agriculture is a sensitive topic in all trade negotiations. MBP’s members are concerned that Canada may reach comprehensive new agreements that fail to include significant gains for agriculture and the beef industry specifically.
- This would not be the first time that agriculture was left behind. The Uruguay Round of the General Agreement on Tariffs and Trade (which established the World Trade Organization) largely ignored agriculture. All attempts to correct this deficiency within the WTO have failed. If the Doha round of negotiations, which was designed to deal with outstanding barriers to agricultural trade, is not dead it is certainly on life support.
- Our competitors, such as Australia and the United States, are also hoping to negotiate greater access. Canada’s beef industry cannot afford to be left behind, especially if our competitors are successful in negotiating increased and more secure access to global consumers.
- While external trade is important to Manitoba’s beef industry, so too is trade within Canada.
- **MBP requests that the Government of Manitoba actively pursue amendments to the Agreement on Internal Trade** to ensure Canada can meet its internal objectives to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investment within Canada and to establish an open, efficient and stable domestic market.
- **MBP further requests the Government of Manitoba open negotiations for entry into the New West Partnership.** Manitoba’s participation in this partnership is long overdue.
- Manitoba Beef Producers supports the development of additional commercially-viable value added beef processing in Manitoba. Additional value added processing will create jobs for

Manitobans, increase the value of beef production in the province and open up new marketing opportunities. While strong and valid arguments can be made for initial public support for emerging opportunities, to be sustainable in the long run new processing ventures must enter into a regulatory and business environment that allows them to operate commercially with support from investors rather than taxpayers or producers.

- It remains MBP's position that greater investment should be made in creating a policy and business environment that will encourage the growth and development of the beef production chain – from cow-calf producers through feedlot operators. This will help ensure viability for commercial investors who would then be interested in expanding Manitoba's value added beef processing capacity. **These are the objectives of the policies MBP has outlined in this brief.**

F. Research and Innovation

- MBP also appreciates the emphasis in Growing Forward 2 on **research**. We believe priority areas should include feed, nutrition, production techniques, animal health and welfare and genetics, to name a few.
- Research investments made over the past 30 years have transformed North American beef production:
 - The beef industry has seen a 14% reduction in water use
 - A 34% reduction in land use
 - A 20% reduction in manure production
 - An 18% reduction in our carbon footprint per pound of beef produced.
- Research helps provide consumers with high quality, nutritious and safe beef products.
- Research also provides the science necessary to demonstrate the integrity of animal health and food safety systems, and animal welfare guidelines.
- The beef industry is recommending that investments in beef research be increased to more appropriately reflect its important contribution to the industry and the broader public good.
- Further, government research funding must be delivered on a minimum five-year basis. Program delivery has typically resulted in a three-year funding cycle with gaps in funding. Longer-term, more predictable funding commitments are necessary to maintain strong research programs, attract new scientific expertise and deliver meaningful research results.
- The beef industry has also recommended that federal government research programs outside of the Science Clusters must be maintained in core areas including animal health and welfare, environment, plant breeding and food safety. This is critical not only for industry competitiveness but also to ensure scientific expertise is available to respond promptly and effectively to issues and opportunities that arise.
- The future success of the beef industry requires that producers, industry, and government agencies work together to develop common priorities for, and delivery of, research, programs, and technology transfer. Manitoba Beef Producers, Manitoba Agriculture, Food and Rural

Initiatives, Agriculture and Agri-Food Canada and the University of Manitoba are building a common model to enhance the effectiveness and efficiency of beef and forage research and extension. **Manitoba Beef Producers requests that allowances be made in the 2013 provincial budget to explicitly support this initiative and support the projects that will be developed through this common research and innovation delivery platform.**

G. Bovine Tuberculosis

- MBP welcomes Dr. Allan Preston's recent appointment to the newly-created position of TB Coordinator. The role will see him coordinate efforts to eradicate the disease in the Riding Mountain Eradication Area.
- This announcement complements enhanced efforts by the Manitoba government to increase the number of hunter-killed wildlife samples submitted in the RMEA. Effective disease monitoring is crucial to our livestock industry. MBP supports this sampling process.
- Beef producers continue to participate in bovine tuberculosis testing while carrying out best management practices to limit interactions between wildlife and their cattle in order to keep their herds disease-free. Testing and mitigation efforts inflict considerable costs on producers. MBP has provided financial assistance to affected producers to help defray these costs.
- **MBP requests that the provincial government reinstate its support for a mustering fee. The previously-funded TB Mustering Fee Program was well received by affected producers. The approximate cost to the provincial treasury at \$6/head is \$20,400 annually.**

H. Herd Protection

- Manitoba Beef Producers is seeking continued provincial government **support for the Problem Predator Removal Program**. The program is very valuable to the beef industry and the provincial treasury alike.
- Paying compensation claims is costly. Manitoba Agricultural Services Corporation data on predator damage to bulls, calves and cows indicated that in 2010 1,491 animals have been killed or damaged. This was an increase from 1,178 livestock deaths claimed in 2009.
- By investing in the Problem Predator Removal Program and ensuring producers have access to trappers when needed it helps reduce the number of livestock killed or injured, resulting in fewer compensation claims.
- Recent uncertainty as to the funding of the Problem Predator Removal Program created confusion among trappers and producers. Since its implementation, the MBP and the Manitoba Trappers Association (MTA) have worked to inform producers and trappers of the benefits of the program. Producers now rely on calling the MTA to assist in removing predators on the landscape in a humane manner. Lack of continuity of the program could hinder the uptake from

producers in this program and future programs.

- MBP is also seeking **100% compensation for predator kills** for the cost of raising the animal.
- Finally, MBP is committed to working with the provincial government in the development of **new herd protection initiatives** to help reduce the risk of negative interaction between predators and livestock. We appreciate the involvement and support the Minister of Conservation and Water Stewardship has given to this effort.

I. Regulatory Climate – Provincial and National

- Domestic regulations relating to the production, movement and trade of cattle and meat can affect the industry's competitiveness.
- MBP is concerned we may be seeing a growing trend whereby environmental and health regulations are based on the perception of public opinion and not grounded in sound science.
- MBP will strongly object to any health or environmental regulations that are not based on sound, peer-reviewed science. Inappropriate, non-science based reactions to environmental and health issues may result in significant losses by our producers and by the Manitoba economy without furthering the goals of protecting citizens or the environment.
- Manitoba Beef Producers strongly encourages the Manitoba government to work with its federal, provincial and territorial counterparts to reduce regulatory barriers that impede trade and co-operation. Within Canada this could include areas such as harmonizing trucking regulations or working to remove barriers to interprovincial trade in meat products.
- MBP also supports the work of the **Regulatory Cooperation Council (RCC)**. Canada and the United States created this council to reduce and prevent regulatory barriers to trade across the border. Twenty nine initiatives were announced and will be implemented by various working groups.
- There are a number of specific initiatives that are of direct interest to the beef industry in Manitoba. These include increased harmonization of animal pharmaceuticals. Increased harmonization of the approval processes on both sides of the Canada/US Border would significantly benefit Manitoba Beef Producers.
- Canada and the United States agreeing to recognize each other's zoning measures during a foreign animal disease outbreak is an example of the successes that can be accomplished by the RCC initiative. This would help minimize costly trade disruptions during such an event, which could be worth billions to the Canadian economy (if the measures are required).
- Other initiatives under the RCC would see the elimination of re-inspections at the border and allowances for an e-certification (rather than requirements for hard copy, physically signed documents).

J. Labour Shortfalls

- Like many sectors, the beef industry is experiencing labour shortages. Manitoba Beef Producers has made a number of recommendations to the Government of Canada to help alleviate these concerns and would like the provincial government to be aware of them.
- MBP recommends reducing waiting times for Labour Market Opinions (LMOs) or accepting past ones in areas where known labour shortages exist.
- MBP recommends allowing more immigrant nominees from the pool of temporary foreign workers.
- MBP is seeking improved coordination of training in the predominant local Canadian official language for employees intent on living in Canada.
- MBP would like governments to recognize that agricultural jobs neither fit the formal definition of “skilled” where more formal training is required nor are they unskilled or suitable for anyone without proper experience.
- MBP has also recommended lengthening the stay for temporary foreign workers, and, if a current temporary foreign worker already in Canada reappplies, the adoption of a streamlined re-submission process without a further LMO.