



DOMESTIC AGRICULTURE PROGRAMS COMMITTEE

MBP's Domestic Agriculture Committee works with all levels of governments to ensure there are effective programs and services to help Manitoba's cattle industry better manage risk. There were a number of significant developments on the risk management front in 2014.

The long-awaited Western Livestock Price Insurance Program was announced in mid-February, a new tool to help reduce producers' exposure to price and basis risk. Producers have the option of insuring their calves, feeders, or fed cattle as well as selecting only basis protection for fed cattle.

MBP had long sought the expansion of this program to Manitoba producers as it helps put beef production on a more level playing field with other commodities. MBP thanks both the federal and provincial governments for enacting this four-year pilot project and staff from Manitoba Agricultural Services Corporation (MASC) for their ongoing work on the program.

Beef producers gained access to a new suite of forage insurance programs in 2014 under Agriln-Insurance. Enhancements include: increased flexibility in the level of coverage; individual coverage rather than a regional approach; differentiated coverage for different forages and mixes; and, a disaster component.

MBP believes the combination of livestock price insurance and the revised forage insurance program helps give beef producers a strong and bankable risk management package.

While it is possible to insure for some types of risks, not all events can be anticipated. Flooding and excess moisture conditions hammered Manitoba's cattle industry again in 2014. It was clear that feed shortages were going to be a problem in some regions, and MBP provided government officials with extensive feedback on the damages sustained. MBP requested that the provincial and federal governments consider providing needs-based forage shortfall and transportation assistance programs to help producers source needed feed for the winter.

In mid-November the Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative under AgriRecovery was announced by the federal and provincial governments. It includes a transportation assistance program for the entire province as well as a forage shortfall program directed at producers in the Lake Manitoba, Lake Winnipegosis and Lake St. Martin areas.

MBP recognizes the assistance this important initiative provides. However, we share the concerns of hard hit producers not included in the forage shortfall program. MBP has sought an expansion of the forage shortfall program to help address the losses these producers suffered.



As well, MBP asked the federal government to consider triggering the Livestock Tax Deferral Provision which could be useful to producers forced to sell their breeding stock due to feed shortages. This measure was announced in late December.

MBP has identified with MASC officials areas where components of the forage insurance program have not been as responsive as hoped for producers affected by repeated flooding and excess moisture conditions. We have requested these areas be re-examined.

MBP provides feedback to MASC on other risk management programs such as the Pasture Days Insurance Pilot Program and the Wildlife Damage Compensation Program. There have been growing concerns about the costly and detrimental effects of predation on Manitoba's beef industry, and MBP wants to ensure producers are receiving fair compensation for their losses.

In 2014 there was a steady rollout of programming under Growing Forward 2 (GF2) in areas such as the environment, food safety on-farm, competitiveness and others. MBP provides ongoing input to the provincial government about the programs from a beef industry perspective.

MBP is delivering the Verified Beef Production (VBP) Program, including both VBP and biosecurity workshops. MBP helped secure the addition of new BMPs to Manitoba's GF2 program eligibility catalogue including compost site for management of dead stock, herd medical treatment software, as well as carrying case and/or docking station for RFID equipment.

Through Bill C-18, *The Agricultural Growth Act*, the federal government is making changes to the way the Advance Payments Program is delivered with the goal of simplified delivery and ease of access, such as allowing administrators to deliver cash advances on multiple commodities. Another component will make breeding animals eligible under the program. MBP has reinforced the importance of Manitoba's cattle producers having access to livestock cash advances and is seeking a smooth transition as these changes are rolled out.

Thank you to my fellow committee members for their work on these and other issues over the year.

Respectfully submitted,

CARON CLARKE

Domestic Agriculture Programs Committee Chair

Larry Gerelus, Vice-Chair

Ramona Blyth

Tom Teichroeb



ENVIRONMENT COMMITTEE

Responding to an ongoing array of government consultations dominated the work of MBP's Environment Committee in 2014.

As has been the pattern in recent years many of the consultations focused on finding ways to more effectively manage water in Manitoba. In MBP's view completing these strategies is more pressing than ever as Manitoba's beef industry continues to be hammered by the effects of repeated flooding and excess moisture conditions. Manitoba's beef herd has contracted in the wake of these disasters causing considerable economic hardship, stress, environmental damage and lost opportunities. A way forward is needed.

In 2014 MBP was represented at the open house on the Lake Manitoba and Lake St. Martin Outlet Channels Conceptual Design as well as the one on the Assiniboine River and Lake Manitoba Basins Flood Mitigation Study. MBP provided feedback on both of these initiatives. It is MBP's steadfast position that when future water management projects are being considered outflows must equal inflows. Further, MBP believes the swift construction of a second outlet from Lake Manitoba must be a top priority to help reduce the future risk of flooding.

There were additional consultations on the provincial government's proposed Surface Water Management Strategy as well as its proposed new regulatory approach around sustainable drainage. Topics covered in these consultations included: no net loss of wetlands, developing new risk management tools to reduce nutrient loading; water retention and storage; drainage licensing; and, implementing basin-level flood mitigation measures.

MBP provided comments on both documents, noting it is essential that provincial water management policies encourage rather than limit cattle production in Manitoba. While compensation programs are beneficial in times of disaster, Manitoba's beef industry simply cannot afford repeated water-related wrecks. MBP looks forward to working with governments on the creation of surface water management strategies that will increase resilience, reduce risk and stimulate adaptive capacity.

MBP continued to be represented on both the Lake Manitoba Flood Rehabilitation Committee and the Southwest Flood Strategy Committee.

MBP is actively involved with the new Assiniboine River Basin Initiative (ARBI), sitting on its Planning Committee. ARBI is working to bring together an array of stakeholders from Manitoba, Saskatchewan and North Dakota affected by how water is managed in the Assiniboine, Qu'Appelle and Souris river basins. At a November conference in Regina the delegates agreed to proceed



with the formalization of ARBI. Next steps include implementing the governance and financing mechanisms.

Looking at water quality issues is another area of work for the Committee. MBP participates in the Lake Friendly Stewards Alliance, a provincial initiative bringing together a wide range of stakeholders committed to finding ways to reducing nutrient loading and improving water quality across the Lake Winnipeg Basin.

Looking ahead to 2015, MBP will provide input into other consultations arising from the provincial government's TomorrowNow – Manitoba's Green Plan. One is a discussion paper on recycling and waste reduction which is examining strategies to more effectively manage waste including agricultural plastics (grain bags, bale wrap, twine and netting) and veterinary products and sharps.

MBP will be providing input into expected provincial consultations around the development of a new Drought Management Strategy and future water conservation policies and strategies.

The Manitoba government's ban on the cosmetic use of pesticides takes effect in 2015. Although the legislation does not directly affect agricultural production, MBP remains concerned noxious weeds and invasive species could spread to agricultural lands, causing environmental damage and potentially harming animal health. These concerns have been conveyed to the government.

MBP participated in the discussions leading to the formation of the Canadian Roundtable for Sustainable Beef (CRSB), an action spearheaded

by the Canadian Cattlemen's Association. The initiative is focusing on the environmental, economic and social sustainability of the beef industry. These are areas of growing interest by customers and consumers of beef and the general public. The inaugural meeting of the CRSB was held in September in Kelowna, and was attended by a range of industry associations (including MBP), government officials, environmental stakeholders and companies that buy and sell Canadian beef.

Thank you to my fellow Committee members for their ongoing work on such a diverse range of issues.

Respectfully submitted,

CARON CLARKE
Environment Committee Chair

Bill Murray, Vice-Chair
Stan Foster
Heinz Reimer
Tom Teichroeb



FEEDLOT COMMITTEE

The feeder/feedlot industry in Manitoba is represented locally by MBP and nationally through the National Cattle Feeder Association (NCFA). MBP supports NCFA through an annual membership as well as providing staff support through General Manager Melinda German. I am also currently the vice-chair of the NCFA.

Many of the sector-specific issues we face in Manitoba are also common across Canada. Unified industry voices are needed to create change. We have been fortunate to have our concerns heard on issues not only locally but also nationally. Two of our key focus areas this past year have been labour shortages and proposed regulatory changes, in particular those dealing with transportation of livestock.

In 2014 after strong lobbying efforts the livestock sector was successfully added to the agriculture stream under the Temporary Foreign Workers Program, thus being eligible to secure workers through this initiative. This was a big win for our sector but we are not done yet. Packing plants remain outside the program but need more workers. Labour shortages in this part of the value chain put the entire industry at risk, creating the potential for a serious bottleneck. Not only does this put us at risk if we face future border closures, it can also affect the price of cattle. All of this will have a significant trickledown effect on the entire industry, right down to the cow-calf producer. Other countries like Australia have succeeded in having plants added into their labour programs. We will continue to seek this change so the sector can remain competitive, helping to protect our industry.

The last year included meetings with elected officials and senior level government staff in Ottawa where there was an opportunity to discuss the impacts of potential changes to the animal transportation regulations. Currently under the Health of Animals Regulation cattle can be transported for up to 52 hours before they are to be unloaded to be fed, watered and rested. The Canadian Food Inspection Agency is proposing changes to the regulation to decrease the number of hours before cattle must be unloaded. Manitoba is unique in our transportation situation and moving animals to plants, especially to the east. The health and welfare of our livestock is our primary concern. When making any changes, we are strongly encouraging the government to make informed decisions based on sound science and to consult with industry about their potential impact before implementing them.

What will 2015 bring? We will continue to represent the feedlot industry on the aforementioned issues as well as ongoing challenges

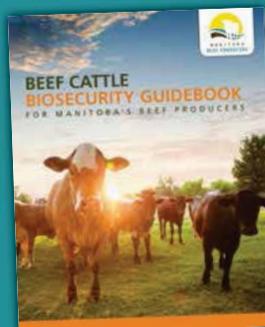


around COOL and increasing commodity prices. We will work with our provincial government to ensure our sector's voice is heard and that the entire Manitoba beef industry is taken into consideration when new program and policies are developed, such as dealing with disasters. With significant opportunities coming our way as new markets open up to Canadian producers we need to ensure we have a healthy feeder/feedlot sector to see our industry expand and prosper in Manitoba.

Respectfully submitted

LARRY SCHWEITZER
Feedlot Committee Chair

Ben Fox
Larry Gerelus
Harry Dalke
Claire Scott



Contact us for a free copy of the revised Code of Practice for the Care and Handling of Beef Cattle and MBP's Biosecurity Guidebook. Call 1-800-772-0458 or email info@mbbeef.ca.



PRODUCTION MANAGEMENT COMMITTEE

Flooding, the Community Pasture Program transition and Growing Forward 2 were some of the areas the Committee examined in 2014.

After a very challenging winter Manitoba beef producers were again hit by water-related challenges that carried on through summer and into freeze-up. Pasture and forage production took a significant hit, and there was extensive infrastructure damage in some regions.

MBP worked with officials from Manitoba Agriculture, Food and Rural Development (MAFRD) to ensure that producers whose operations were at immediate risk had the resources needed to move cattle or to find alternate feed supplies. Their assistance was greatly appreciated. Once the immediate crisis passed, the Committee's attention turned to ensuring affected producers would have enough feed to carry them through the fall and winter.

This Committee, along with MBP's Domestic Agriculture Committee, worked on assessing the extent of the damage and the type of programs affected producers would need to retain their herds through the winter of 2014-15. MBP provided extensive feedback to governments as they undertook their assessment of the disaster and considered programming options.

In mid-November the Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative under AgriRecovery was announced by the federal and provincial governments. It includes a transportation assistance program for the entire province as well as a forage shortfall program directed at producers in the Lake Manitoba, Lake Winnipegosis and Lake St. Martin areas.

MBP welcomed the assistance this important initiative provides. However, we share the concerns of hard hit producers not included in the forage shortfall program. MBP has sought an expansion of the forage shortfall program to help address the losses these producers suffered.

MBP also requested the triggering of the federal Livestock Tax Deferral Provision which could be beneficial to producers forced to downsize their breeding herd due to feed concerns. In late December the federal government announced its availability.

How water is managed in Manitoba is having a significant impact on the sustainability of this province's cattle industry. Repeated events have led to a contraction in beef production, particularly in areas such as around Lake Manitoba. This comes at a time when the industry should be rebuilding so as to capitalize on new and expanded beef marketing opportunities.

MBP uses every opportunity available to remind government officials that a comprehensive water management strategy is required in Manitoba. It is needed to help mitigate future risk, build



resiliency in the system (both in times of excess water or droughts) and help set the stage for future beef industry growth.

There were major developments on the community pasture file. The non-profit Association of Manitoba Community Pastures (AMCP) began administering some of the community pastures that had been divested by the federal government and it will manage more as the transition process continues. In February the provincial government announced a pilot program that includes three years of funding for this transitional process.

Having access to community pastures is integral to the success of many producers operations. MBP is pleased to have been a key driver behind the formation of the AMCP and to have helped facilitate the development of the business plan. MBP acknowledges the significant efforts made by the AMCP as well as by provincial and federal officials to achieve this outcome.

An agreement was signed between MBP and the provincial government for the Verified Beef Production (VBP) program under Growing Forward 2 (GF2). MBP began delivering workshops again in the fall, both in person and via videoconferencing with assistance from MAFRD staff. There has been strong producer interest in the workshops. MBP looks forward to a future expansion of the program to include new program modules related to animal care, biosecurity and the environment. The Canadian Cattlemen's Association is leading this expansion.

MBP is offering biosecurity workshops in conjunction with the VBP Program. MBP continues to provide feedback to government departments and Crown corporations about the need for their staff and contractors to follow biosecurity practices when visiting livestock operations.

Monies for beneficial management practices are available under GF2 for producers participating in the VBP Program, covering off areas such as food safety on-farm, biosecurity and traceability. MBP helped secure the addition of new BMPs to the program eligibility catalogue including compost

site for management of dead stock, herd medical treatment software, as well as carrying case and/or docking station for RFID equipment.

MBP participates in the Canadian Roundtable for Sustainable Beef, an initiative spearheaded by the Canadian Cattlemen's Association. The initiative is focusing on the environmental, economic and social sustainability of the beef industry.

MBP co-chairs the Livestock Predation Protection Working Group (LPPWG). It was created in early 2013 after requests by MBP to have a broad group of stakeholders discuss predation issues. Participants include provincial departments and agencies, Agriculture and Agri-Food Canada, other livestock groups and the Manitoba Trappers Association. Its primary purpose is to explore strategies for reducing predation and the costly losses associated with it.

Committee member Theresa Zuk is MBP's representative to the Canadian Cattle Identification Agency. She sits on committees that examine matters such as traceability, premises identification, movement documents, tag retention challenges, tag sales, and more.

Providing feedback on government policies and programs is an important role for this Committee. Other issues examined in 2014 include: workplace safety and health regulations; labour shortages; ensuring producers have continued access to the Advance Payment Program as the federal government changes the way this program is administered; fall application of nutrients; dealer bankruptcies, and many more.

Respectfully submitted,

LARRY GERELUS

Production Management Committee Chair

Cheryl McPherson, Vice-Chair

Ted Artz

Theresa Zuk

Caron Clarke



RESEARCH COMMITTEE

MBP strongly recognizes the importance of research and a portion of Manitoba producers' check-off dollars are used for this purpose each year.

Investments in research are valuable for several reasons not the least of which is ensuring greater productivity and profitability on our beef operations. Manitoba producers' check-off dollars are invested in research areas such as livestock transportation, residual feed intake, animal health, forage production and farm management strategies, among others.

For example, MBP is working collaboratively with the federal and provincial governments on three different initiatives around bovine tuberculosis. There are two goals. One is to eradicate the disease in Manitoba. The other is to move to a system whereby producers in the Riding Mountain Eradication Area will have their herds tested through passive surveillance instead of the current arduous and costly system of live animal surveillance. Achieving both goals will be very beneficial to Manitoba's beef industry.

Having access to research is also important for developing sound public policies. The beef industry needs to be able to inform governments of the potential impacts of proposed legislation and regulations to ensure they are based on science and not public perception of a certain issue. This could include policies related to nutrient management, climate change, water management or animal health surveillance.

Further, each year there is an increasing level of interest in how food is produced. Research results can also be used to demonstrate to our customers and consumers that beef production is sustainable, be that from the perspective of animal care, the environment or social sustainability.

MBP works collaboratively with academic institutions and stakeholders on research, providing either direct or in-kind contributions to support this work. For example, MBP has provided input into the development of and helped promote the revised Western Canadian Cow-Calf Survey. First conducted in 1998, this survey is examining productivity and management practices of cow-calf producers to get an updated set of production benchmarks. Survey results will be used to help direct future research and extension activities aimed at improving the productivity and profitability of cow-calf producers. Participating producers can receive a complimentary report of their production performance measures based on their survey responses.

MBP also works with industry groups like the Beef Canada Research Council (BCRC) to achieve maximum utilization of check-off dollars invested in beef research. This includes avoiding duplication, identifying gaps and coordinating needed



research. MBP is represented at the BCRC by director Caron Clarke.

MBP continues to explore the possibility of establishing a beef-forage evaluation and knowledge transfer farm with the goals of building industry capacity and increasing productivity and profitability for Manitoba's beef producers. It would involve a collaborative effort by those interested in fostering the growth and understanding of sustainable beef and forage production, including industry, government, research institutions and private partners.

At the fall 2014 district meetings, MBP distributed a short survey to producers asking them about their research priorities, examining areas such as animal health and welfare, nutrition and feed efficiency, economics and profitability, environmental sustainability, forage and grassland productivity and beef quality. The information gleaned will help MBP as it analyzes future research needs and investments.

Be sure to check out *Cattle Country* for ongoing updates on research projects being undertaken in Manitoba and beyond that benefit our industry.

Thank you to the members of the Research Committee for their assistance this year.

Respectfully submitted,

LARRY WEGNER
Research Committee Chair

Caron Clarke, Vice-Chair
Ben Fox
Larry Gerelus

1950's feed efficiency was 10:1



TODAY IT'S 6:1



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MESSAGE FROM CANADIAN CATTLEMEN'S ASSOCIATION

Dave Solverson
President
Canadian Cattlemen's Association

MBP members of CCA board:
Heinz Reimer Tom Teichroeb
Ramona Blyth

What a year it has been for Canada's beef cattle industry. Record high prices for cattle, strong demand for beef and heavy activity in the areas of trade and market access resulted in a very fluid and dynamic environment unlike any seen before. These conditions have created a new price environment for the industry going forward – an environment that will require a new approach from industry in order to fully grasp the opportunity that lies ahead.

The Canadian Cattlemen's Association (CCA), working with the Government of Canada, achieved significant progress on important trade files in 2014.

The Canada-Korea Free Trade Agreement (CKFTA) has finally come to fruition after years of hard work, and in time to deliver solid opportunity to Canada's beef producers. CCA's efforts continued on the Canada-EU Comprehensive Economic and Trade Agreement (CETA) with a goal to ensuring the technical details in the completed text are such that the CCA can support. Canada's beef producers already have access to the EU, which is underutilized, and the CCA encourages producers and feedlot operators interested in exporting beef to familiarize themselves with the respective requirements.

Canadian beef exports to China have grown rapidly since 2012 reflecting the reality that Chinese demand for beef has outpaced what they are able to produce domestically. According to some forecasts, China could double its annual global imports of beef before the end of this decade. What an opportunity this is for Canada's producers.

U.S. Country of Origin Labeling (COOL) was another active file that dominated the year. While there were many twists and turns, the crucial development occurred on October 20 when the World Trade Organization (WTO) Compliance Panel found that the U.S. has failed to bring its COOL program into compliance with its WTO obligations. The Panel report unequivocally supports Canada's position that the U.S. amendments to the COOL regulation continue the discrimination against live imports of cattle and hogs into the U.S. marketplace.

The Compliance Panel decision marked the third time that the WTO has found the U.S. has failed to meet its international trade obligations. The November 28 decision by the U.S. to appeal the Compliance Panel decision is that country's final procedural option before Canada can exercise its right to retaliate. The CCA remains focused on eliminating the unfair discrimination on U.S. imports of cattle (and hogs).

The CCA believes the U.S. will lose their appeal – a move which we view as a stall tactic. While this process is expected to take several months, with a decision perhaps as early as the spring of 2015, the CCA believes it will be faster than many of its U.S. opponents anticipate.

Meanwhile, the CCA continued its lobbying efforts to keep the COOL reform momentum building in the U.S., including with groups that will be impacted by the retaliation that will follow if the WTO again rules in Canada's favour on this latest appeal.

The CCA devoted considerable effort to the issue of labour in 2014. Labour is an issue for processors, particularly in Alberta, given the large processing plants in Brooks and High River, but also in agriculture in general across the provinces. The CCA has been advocating a Labour Action Plan for agriculture in meetings with Ministers and during Fly-in days, the Hill Picnic and other lobbying efforts.

The CCA is working to have the processing sector, also plagued with chronic and acute labour shortages, recognized as unique and therefore no longer subject to the reforms and their detrimental effect on business. The CCA emphasized the fact that if the beef cattle industry hopes to take advantage of the increased opportunities for trade the Government of Canada has worked so hard to achieve, the packers require a work force sufficient in numbers and training.

Sustainability took a front row seat this year. The CCA has done a lot of good work in terms of creating the Canadian Roundtable for Sustainable Beef (CRSB) and participating in the efforts of the Global Roundtable for Sustainable Beef. The latter this year made significant progress on defining sustainable beef and now regions around the world are adapting those principles and criteria to their own areas. This movement has gained a lot of traction, especially from food retailers, and I'm pleased that Canada, through the CRSB, is well represented and viewed as a leader in sustainability in the beef industry.

Other achievements this year for the CCA include the Western Livestock Price Insurance Program (WLPPI). The market-based risk management program will help producers in select provinces manage price and basis risk – one of the most unpredictable aspects of managing Canadian cattle farms.

Programs like the WLPPI rely on price discovery, which is critical for sending the correct price signal from the consumer to the producer. Without this additional information, producers will face the risk of higher premiums or no coverage during certain times if consistent price information is unavailable to create a settlement index.

In response, Canfax, the CCA's market analysis division, launched an enhanced price reporting system to ensure the industry has the most relevant market information for decision making and analysis.

At the CCA semi-annual meeting resolutions concerning the timely implementation of AgriRecovery and other programming during disasters like flooding and excess moisture that affected the livestock sector in 2014 were passed. The CCA also agreed to lobby governments to implement a long-term solution for flooding issues in Manitoba.

The impact of the 2014 floods in parts of Saskatchewan and Manitoba and how best to mitigate the damage in the short and longer term was also discussed.

The CCA remains committed to improving disaster response programs. Addressing the short term production and infrastructure challenges as well as the long term drainage and water management issues are needed. Tax deferral for temporary herd reductions – announced in

December –, help in repairing damages through AgriRecovery and major infrastructure investment in water management are all needed to keep the Manitoba beef cattle industry moving positively toward the opportunities provided by new market access agreements and the current price outlook.

The National Beef Strategy was launched. A collaborative effort by Canada's six national beef sector organizations, the strategy is about how the organizations can work together to best position the beef industry to compete for a larger share of the world market and to produce the high quality beef product of choice in the world.

And now is the time to act. There are many factors influencing the outlook of the global and North American beef industry. Many of the factors which have brought prices to these levels continue to look supportive for the markets for the next one to three years. Improving economic conditions in the U.S., and a potentially weaker Canadian dollar are certainly positive moving forward. Projected lower beef production in North America, flat global production, and growing demand is also very positive for Canadian cattle producers.

Finally, my appreciation goes out to the Prime Minister Stephen Harper, International Trade Minister Ed Fast and Minister Ritz for their unceasing efforts in achieving the truly outstanding progress reached this year.

Respectfully submitted,

Dave Solverson
President, Canadian Cattleman's Association