

# **Canadian Cattlemen's Association Submission for the Finance Committee Consultations for Budget 2015**

## **Executive Summary**

The Canadian Cattlemen's Association (CCA) recommendations to enhance the Canadian beef cattle sector include enhancing research, development and innovation. Priorities include ensuring research programs have adequate research and technical expertise and support staff, a succession plan to ensure the continuation and transition of research programs as scientists retire or leave, adequate physical infrastructure and research equipment, and access to internal and/or external project funding to operate a comprehensive research program.

The CCA believes prosperity and security can be enhanced through investments to manage and mitigate flooding in Saskatchewan and Manitoba and to eradicate bovine TB from Riding Mountain National Park. There is also potential to work with the Ontario government in expanding the opportunity for cattle production in the northern clay belt area.

The CCA supports modernizing regulations and investments to ensure the scientific and technological capacity is present to support a science and risk based regulatory regime.

Finally the CCA recommends investments to implement the Labour Action Plan to reduce the constraint labour has become on capturing market share in current markets and in realizing opportunities in new trade agreements and in purchasing power growth in developing countries.

## **Canadian Cattlemen's Association Priorities**

The Canadian Cattlemen's Association supports fiscal sustainability and economic growth. This brief will address areas beyond this overarching principle where Budget 2015 could enhance the Canadian beef cattle industry.

## **Increasing the competitiveness of Canadian businesses through research, development, innovation and commercialization**

This area is critical to the growth of the Canadian beef cattle industry and to the competitiveness of existing businesses. Improvements will be needed in production methods, technology (creation, adoption and optimization), market intelligence and many other areas to meet increasing food demand.

The first of three critical areas in which strong internal Agriculture and Agri-Food Canada (AAFC) research programming are particularly integral to ensuring the future competitiveness of the beef industry is:

### *1) Continuous improvements in food safety and quality to ensure consumer confidence and beef demand*

Canada's beef industry is actively involved in supporting research that will lead to effective and implementable solutions in food safety and carcass evaluation. It is important that AAFC also maintain an active and strong research program in these areas to provide sound, credible, independent science. The federal government has clear regulatory responsibilities in regard to both food safety (Food and Drugs Act and Regulations, Meat Inspection Act and Regulations, Safe Food for Canadians Act) and beef grading (Livestock and Poultry Carcass Grading Regulations, under the Canada Agricultural Products Act).

The science generated through federal beef quality and food safety research programs is integral to providing domestic and international consumers with the assurances they demand.

Industry has demonstrated its support for AAFC's research programming in these areas through applied beef quality and food safety research initiatives under the Beef Science Clusters. Industry sincerely appreciates AAFC's commitment to Lacombe's beef quality and food safety research program and we encourage AAFC to fill the beef carcass grading-related position at Lacombe.

The second critical area is:

*2) Increased cow-calf and feedlot production efficiencies through improved forages and feeds, agronomics, and management strategies*

Investments in research that improve production efficiencies and encourage producers to adopt innovative production practices help to ensure Canada's beef industry remains globally competitive and reduces industry's dependence on business risk management programs. Feed costs are the largest variable input cost in both the forage-based cow-calf and grain-based feedlot sectors so continual improvements in forage/feed productivity, forage/feed management and grazing practices are critical.

Private funding is rarely directed toward long-term, high-risk or public good research. Government has a role in supporting the research that industry has difficulty providing adequate funding for but is essential from a public good or industry competitiveness perspective. For example, forage stands are often expected to last for a decade or two before being re-seeded. Therefore the market for forage seed is limited, and there is little economic incentive for private breeding companies to invest in forage breeding programs. Seed companies do not develop their own varieties, but rather license varieties developed by public breeding programs like AAFC's.

With respect to the AAFC forage research program we have identified a few key priority areas. Firstly, several researchers at AAFC Lethbridge, Quebec and Nappan are nearing retirement so a clear succession plan is needed to ensure their forage research programs continue. Secondly, AAFC's Swift Current site was identified as a center of excellence for rangeland research, but the small AAFC land base limits the ability to conduct meaningful grazing and range management research. We encourage allocation of funding to ensure the Swift Current researchers have access to ample land to perform this important research.

AAFC's Lethbridge feedlot-based research also needs to continue. The deeper research data collected there goes well beyond what is possible or affordable in commercial research facilities. This data collection generates a great deal of basic science to inform future commercial practice and environmental discussions. The funds to maintain and enhance this station are good investments for the federal government.

The third critical area is:

*3) Provide sound, credible, science-based information to address emerging social license issues*

The public's perception of the beef industry can influence consumer preferences, government regulations and policies that impact the industry's ability to operate. Consumers and the general public are increasingly questioning the impacts of modern livestock production.

Providing Canadians with reliable answers and sound policy pertaining to these issues requires credible science. While the beef industry can justify its support for some critically important research

(such as the antimicrobial use and resistance, environmental footprint, and animal health and welfare research funded under the Cluster), other issues are more difficult to foresee. These include research around diagnostics and surveillance for animal health issues. It is extremely important to maintain the research expertise and infrastructure necessary to quickly develop appropriate policy and regulatory responses when issues arise.

Maintaining AAFC's independent expertise in these areas has already demonstrated clear value. It provides Canada with world leading experts who can participate in and present impartial facts about Canada's production system in international and domestic forums. Two examples include the value of having Dr. Karen Schwartzkopf-Genswein recognized as an international expert in beef cattle welfare and Dr. Tim McAllister's impactful involvement with the FAO on climate-related issues. Because they are trusted by the Canadian public and by the beef industry, AAFC researchers have been able to conduct research that contributes sound, impartial science to address society's concerns as well as inform policy.

### **Ensuring prosperous and secure communities, including through support for infrastructure**

Spring and summer rains have again caused significant flooding in eastern Saskatchewan and many areas of Manitoba. This recurrence is on the heels of what was thought of as once in a lifetime flooding in 2011 and points to a chance this may be part of a new weather pattern. Prosperity and security are both being sacrificed in many communities and in rural settings due to these repeated events. Investments are needed to aid in more effectively managing rain water, flood water and other associated effects. Repeated use of the Portage Diversion to manage flows on the Assiniboine River to protect downstream communities, including Winnipeg, results in large volumes of water entering Lake Manitoba, compounding flood problems around the lake. Investment in a second outlet to help draw down Lake Manitoba must be given high priority. While this is a provincial concern the need for federal partnership and leadership in the area of mitigation is real. Completion of this outlet cannot be left for future years in hope that these events are anomalies. The water tables of the Assiniboine watershed are very high meaning future rainfall amounts in Saskatchewan and Manitoba do not need to be as high as previous to form flood conditions in future years.

Opportunity for beef herd expansion is present in the northern Ontario clay belt. The Beef Farmers of Ontario have been exploring this idea in recent years. With new technology and transportation improvements the ability to raise beef cattle in this area is looking promising. We encourage the federal government to work with the Ontario government in this project.

Riding Mountain National Park is home to elk and deer that carry bovine tuberculosis. For many years this has meant cattle herds surrounding the park have been subject to bovine TB surveillance and other restrictions that add to the cost of keeping cattle in this area. It has been many years since there was a positive test for bovine TB in the cattle population but there are recurring cases in the elk population. Eradication of this disease is a goal of cattle producers so they can have the same disease status as other Canadian cattle producers. The appointment of Dr. Allan Preston as TB Coordinator in 2012 was a positive step as he works with all stakeholders to achieve this goal. This position expires at the end of 2014. It is important the federal government renews this position to build on the progress to date.

Further resources for the TB Task Force are also important. Strong leadership is needed to realize eradication of this disease in Manitoba. This would improve the situation for producers in the Riding Mountain Eradication Area, their livestock and the wildlife population. Moving beyond the

continuous cycle of testing, extra activities and uncertainty of living near a source of disease would contribute greatly to the prosperity and security of the area's cattle producers. Removing this disease risk would also contribute to the security of the whole Canadian cattle industry. The risk posed to the national herd's status is one worth removing as it would be devastating to see bovine TB move from the wildlife to the domestic herd. Resources should be committed in budget 2015 where they are needed to realize eradication. This would mean Agriculture and Agri-Food Canada, Parks Canada and/or the Canadian Food Inspection Agency.

### **Improving Canada's taxation and regulatory regimes**

Ensuring AAFC, Health Canada and all departments have the proper science capacity is important to Canada leading in the implementation of a science and risk based regulatory regime.

Modernization of the Canadian Food Inspection Agency is ongoing and supported by the Canadian Cattlemen's Association. Resources must be adequate to insure the modernization of equipment and information technology to go along with modernization of processes and regulations. Budget 2015 should ensure that the CFIA has the resources to modernize export certification processes and equipment to make electronic certification a reality as soon as possible.

Resources committed to the Regulatory Cooperation and Competitiveness Council should continue in line with the value this undertaking can deliver. With real commitment from both sides this can yield returns for Canadians.

### **Maximizing the number and types of jobs for Canadians**

Canada faces a demographic challenge similar to most developed nations. The amount of retirees is outpacing the additions to the workforce. This is already challenging the ability of employers in the agriculture and food sector to staff operations to take advantage of market opportunities. This will also constrain the ability to take advantage of coming opportunities from new market access and increasing disposable income in the developing world.

Budget 2015 should provide resources to Employment and Social Development Canada, Citizenship and Immigration Canada and AAFC to implement the three step Labour Action Plan developed by the Value Chain Roundtables and presented to the three departments.

This action plan sets out steps for addressing the labour shortage in Canadian agriculture. First increase the supply of labour from within Canada and augment that with temporary and seasonal labour from abroad. Secondly improving the knowledge and skills of workers to meet immediate and future labour requirements. All three ministries can play a role in ensuring the growth opportunities for Canadian agriculture are not constrained by labour shortages. These shortages are already having a constraining effect and investment and action is needed to turn the tide or there will be less jobs available as exports of live animals replace value added exports of beef.