



SASKATCHEWAN STOCK GROWERS ASSOCIATION

P.O. Box 4752, Regina, Saskatchewan S4P 3Y4

Phone: 757-8523 Fax: 569-8799

Email: ssga@sasktel.net

Media Release

For Immediate Release

February 2nd, 2009

Saskatchewan Stock Growers Alarmed by Federal Budget's Lack of Support for the Livestock Sector

Saskatchewan's largest cow-calf producer organization, the Saskatchewan Stock Growers Association (SSGA), is calling for changes to the federal government's stimulus package that would recognize the financial plight of Canada's cattle industry as well as the value of a healthy livestock sector to Canada's post-recovery economy.

SSGA president, Ed Bothner said today that, "Those elements of the federal budget dealing with agriculture fell far short of what Saskatchewan's cattle producers needed and expected. We are frankly both disappointed and alarmed by the absence of meaningful income support measures for cattle producers in the budget."

According to Bothner, "Consecutively low and negative income years have taken their toll on producers. Industry reports indicate that a sell-off of the national breeding herd is underway and accelerating, with some 300,000 females being sold into the meat market over the past few months. The numbers indicate that the industry is contracting and our sense at the grassroots level is that a number of producers have recently exited the industry and many more are being forced to consider it. The financial capacity of producers to cope is simply being exhausted."

A series of economic challenges have plagued Saskatchewan cattle producers since 2003. The BSE crisis was followed by a significant increase in the value of the Canadian dollar and wildly escalating feed prices. And now, producers are faced with the combined impact of US country of origin labelling (COOL) and the global recession. Industry analysts estimate that without significant modification COOL alone could account for a reduction in gross receipts for Saskatchewan producers of 30% or more in 2009.

What is especially frustrating for producers is knowing that the major problems confronting Canada's beef industry have nothing to do with the quality of product they produce or the relative efficiency of their industry.

According to Ed Bothner, "The cattle business is not an industrial basket case looking for a handout to compensate us for our own bad management," says Bothner, "Consumers in

"The Business of Beef – Freedom in Strength"

Canada and beyond our borders still want Canadian beef. Prior to COOL, in 2007, we exported \$1.2 billion worth of quality Canadian beef, most of it to the US."

"It simply doesn't make good economic sense to stand by and watch a significant and highly competitive Canadian industry contract, when a relatively modest level of temporary financial support would help see it through a tough patch. We have made a number of concrete proposals to federal officials including adjustments to federal-provincial business risk programming and are frustrated that our comments appear to have been ignored," said Bothner.

The SSGA President added that recent comments made by Premier Brad Wall in support of the industry's frustrations with the budget, "are appreciated and provide some room to be optimistic that federal politicians can be convinced to provide meaningful support for Saskatchewan producers."

-30-

For further information contact: SSGA office in Regina (306) 757-8523