

BEEF BUSINESS

SASKATCHEWAN'S LARGEST CIRCULATED CATTLE INDUSTRY MAGAZINE

NOVEMBER 2010

IN THIS ISSUE:

TRENDS IN OFF-RANCH EMPLOYMENT P.19

RODEO - THE SPORT OF THE BEEF BUSINESS P.21

CHECK-OFF CHALLENGE P.30



A Saskatchewan Stock Growers Association Publication

Publication Mail Agreement #40011906

Working for Producers



RFID TAGGING REQUIREMENTS

As of July 1, 2010

All cattle must be tagged with an approved RFID tag.
Do not remove existing bar-coded tags in animals.



Leave the bar-coded tag in AND apply an RFID tag to the same animal. Cross-reference the RFID tag with the bar-coded tag in the Canadian Livestock Tracking System (CLTS).

PLEASE NOTE: Tampering with and/or cutting out an approved tag is prohibited by regulations.

To cross-reference your tags or for more information, contact the CCIA office at 1-877-909-BEEF (2333) www.canadaid.ca

For more information on traceability in Canada, please contact the Canadian Food Inspection Agency at 1-800-442-2342 www.inspection.gc.ca

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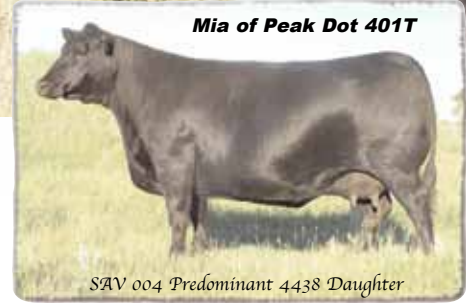
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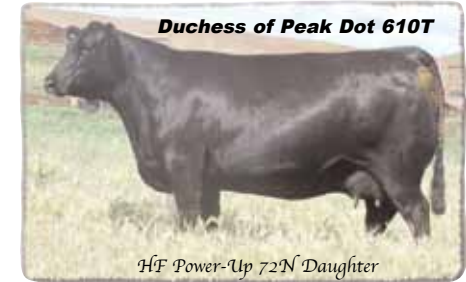


Mia of Peak Dot 401T



SAV 004 Predominant 4438 Daughter

Duchess of Peak Dot 610T



Hf Power-Up 72N Daughter

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Tradition Since 1913*

Industry News

- 6 WTO Holds First COOL Hearing
- 6 U of S Plans New Research Facility
- 6 Dollars for Scholars
- 9 CFIA Launches Canner Horse Passports
- 9 Argentine Cow Numbers and Exports Shrinking
- 10 RFID Tag Ruling Handed Down
- 12 Canadian Western Agribition Turns 40

Markets and Trade

- 13 Saskatchewan Live Cattle Trade
- 13 Saskatchewan Fat Cattle Trade
- 13 Slaughter Cow and Bull Trade
- 14 Retail Meat Price Survey

Features

- 19 Trends in Off-Farm Employment
- 21 Rodeo - The Sport of the Beef Business

Analysis and Opinion

- 30 The Check-off Challenge
- 33 Check-off History

Science and Production

- 36 Coping With Poor Quality Forages
- 40 Where's the Beef? Active Missing Livestock Files
- 42 Stray Animals and RFID Tags

Association News and Reports

- 44 Director Profile - Helen Finucane
- 45 Director Profile - Paul Jefferson
- 46 President's Report
- 47 General Manager's Report
- 48 2010 Honour Scroll Recipients
- 48 2010 TESA Award Winners

Stewardship

- 49 SK PCAP - Ecological Goods and Services - Benefits for Producers and Piping Plovers
- 51 Calendar of Events
- 51 Advertiser Index



**Did you know that the SSGA is
Saskatchewan's oldest agricultural association?**

BEEF BUSINESS

A Saskatchewan Stock Growers Association
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WTO Holds First COOL Hearing

Livestock industry officials from Canada and Mexico appeared at an oral hearing of the WTO's Dispute Settlement Panel in Geneva, Switzerland on September 14-15 to present their case against the US mandatory Country of Origin Labeling system (COOL).

The hearing allowed Canada and Mexico to present their arguments and respond to Panel questions. The Canadian delegation targeted its complaint specifically at the COOL requirement that animals originating outside the US, but slaughtered at US plants, have to be labeled according to the country where they were born. The Canadians explained that they didn't have a beef with the idea of labeling meat processed in Canada that was destined for the US, and didn't have a problem in general with the concept of origin labeling.

The real problem for Canadian producers and exporters has been the need to segregate meat by country of origin at US packing and processing plants. Canada has long argued the segregation requirement has had a negative impact on sales of Canadian born cattle to US packers who don't want the hassle and expense of organizing segregated production runs.

The Canadian case is built around the Technical Barriers to Trade component of WTO Agreements, whereby the US must have a legitimate policy objective and must seek to achieve it in a manner that has the least possible adverse impact on trade. The Canadian officials described why COOL does not comply with that legal test and outlined the economic impact that COOL has had on the North American livestock marketplace.


In response to Canada's claims, US officials maintained the economic difficulties faced by the Canadian industry were related to things like the global recession

and claimed that COOL does not require, and has not caused, any segregation of Canadian cattle or price discrimination.

Canada's cattle industry was represented at the two-day oral hearing by CCA President Travis Toews; staffers: Dennis Laycraft and John Masswohl; and the CCA's lawyer, Ed Farrell.


According to a CCA report on the hearing, "Canadian cattle producers should know that this is an extremely resource-intensive process for the CCA. Our participation as stakeholder advisers has been essential to ensuring that the Canadian government legal team was well prepared with industry evidence and corporate memory."

Next steps

Following the September oral hearing the parties to the dispute received a list of over 100 questions from the Panel. Written responses are due within two weeks of the hearing, shortly after that, written statements rebutting arguments made at the hearing are due. A second oral hearing will be held in December followed by another round of written submissions through February. The final Panel report is scheduled for release in July 2011. And, according to the CCA there could quite likely be an appeal which could take another year. 


U of S Plans New Cattle Research Facility

The University of Saskatchewan has announced plans to build a new cattle research station on 11 quarters of land it is purchasing in the Clavet district. The new facility will be home to a herd of 750 beef cows and a research feedlot. The budget estimate for launching the operation is set at \$10 million. The new research station will replace the 50 year-old facility located on 291 acres of prime real estate along the river north of Circle Drive.

College of Agriculture officials maintain the capacity of the university's existing beef cattle facility has been surpassed. Furthermore, the new research station will better reflect today's cattle handling and research technologies. 

Dollars for Scholars

Saskatchewan grade 12 students planning to begin post-secondary studies in an agriculture-related field in 2011 can now apply to the Ministry of Agriculture for \$1,000 scholarships. There will be 10 new scholarships awarded annually.

In announcing the Agriculture scholarships, Minister Bob Bjornrud said, "this scholarship is another way we are working to promote the industry and encourage our youth to look at agriculture as a career." 

If you want cattle
that you can take to the market,
whether you finish 'em
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49 of the top 100 IMF[®] EPD cattle
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We have been buying Cudlobe Farms Black Angus bulls for 20 years or more. We think they have a program second to none. We fed out all our steers and the heifers calves we didn't save for breeding this year. They sold in various lots that graded 60 to 94% AAA's. The lot that graded 94% were a lot of 67 steers who's average dressed weight was 864 lbs. We were paid a premium of \$.25 to \$.75 a pound. They yielded 59.5% to 61.5% red meat.

The close out sheet on a pen of 170 steers showed, they were on feed for 108 days, they gained 4.09 lbs a day, ate 23.37 lbs a day and had a feed conversion of 5.72.

Good program, good program, good people to deal with.
Thank you David, Dyce and families.

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Giles were paid a premium of \$162 per head on their Cudlobe sired heifers over other heifers in the same pen.

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¹Platter, W.J., J.D. Tatum, K.E. Belk, T.E. Engle, J.A. Scanga, G.C. Smith, 2001. Effects of repetitive use of growth promoting implants on beef carcass quality and consumer ratings of beef palatability. Colorado State University Final Report To The Beef Quality Assurance Advisory Board. National Cattleman's Association. ²R.H. Pritchard, 1999. Comparison of Lifetime Implants Strategies For Beef Steers On Production And Carcass Variables. Final Report to the South Dakota Beef Industry Council. ³Withbank, C.W., E.W. Hawkins, D.K. Lunt and T.E. McCullum. 2000. Anabolic Implants And Meat Tenderness. J. Anim. Sci. 78 (suppl.1):160.

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CFIA Launches Canner Horse Passports

A new CFIA identification system imposed in July 2010 is making business a lot more complicated for Canada's meat horse dealers. An Equine Identification Document (EID) now has to accompany any horse destined for slaughter and eventual shipment to Europe, sort of like the passport a tourist gets in advance of a European vacation. The big difference between a human passport and an EID is that the CFIA requires way more information for horses than Citizenship and Immigration Canada requires for people.

The EID includes a detailed narrative and diagrams describing the horse: height, colour, white markings on the head and legs, hoof pigment, whorls (cowlicks), white hairs in the mane, etc., etc. The CFIA's instructions for drafting an EID specify the colour of pens to be used in diagrams, red and black - but never blue. Meat horse dealers are also provided with art instructions - mixed hairs are to be indicated by cross-hatching; grey-ticked areas are to be drawn in single short lines, and so on. Presumably brand inspectors will have new penalties to enforce for people who colour outside the lines.


It doesn't end there. The dealer also has to testify as to the horse's health history for the six months leading up to slaughter including any medical treatments. If the meat buyer is in the habit of picking horses up at various sales and shipping them to the packer as soon as he has a load assembled, will he now have to

retain the horses for six months to ensure he knows their health history? Will sale barn operators be able to get all their consignors to have EIDs completed for the horses they bring to a sale? That likely isn't going to happen right away - many forms will no doubt have to be filled out right at the auction mart the day of the sale.

Just imagine, a whole room full of adults dutifully colouring in their horse pictures (in black and red only) prior to the start of a sale. What if the sale barn has a snack bar? There could be trouble if somebody gets mustard on the form because yellow isn't allowed.

Beef Business was shown its first EID by a meat horse dealer from southwest SK. Understandably, most of what this particular dealer said about the new system is unprintable. But here's an edited taste of what he had to say.

"Look at this thing! How's a person supposed to do business when they come up with BS like this? Are they crazy?"

This is perhaps a cautionary tale for those export minded folks who are anxious to win greater access to the European market for Canadian beef. Yes, we can indeed ship horses and horsemeat to Europe, but at some point people might start to ask whether it's worth the bother. Will RFID tags suffice for the Europeans, or will we need to send along pictures of a steer's cowlicks and his medical records? 

Argentine Cow Numbers and Exports Shrinking

Some of Argentina's recent cattle business woes will have a familiar ring for producers in Western Canada. According to the International Meat Secretariat, Argentina's cow herd shrank considerably in the wake of severe drought in 2008 - 2009. Producers short of feed dumped their cows and a considerable number of those impacted decided to exit the industry altogether.

And if that wasn't enough, Argentina's meat industry has been stymied by rules limiting exports. But in Argentina's case, the decline in exports wasn't due to other countries refusing to accept their beef as in Canada's case, it was a self-inflicted wound. Since 2005 the Argentine government has been enforcing on-and-off export controls.

Economic troubles including high inflation have been making exports attractive to producers and packers. The Argentine government, sensitive to the nation's incredible appetite for beef, curries popular approval by ensuring that there is enough meat in the country to sustain a per capita consumption approaching two pounds per day.

The export restrictions have combined with the global recession to severely reduce sales into several customer countries. Sales into Russia are down by 69% and EU sales have declined by 58% compared with last year.

Domestic slaughter in Argentina for the first half of 2010 was down by 23% compared to the same period in 2009. South American meat packing giants,

continued on pg. 10

Help the SSGA fight for your industry!
Become a member today

RFID Tag Ruling Handed Down

The good news is Ken Habermehl is off the hook for the \$500 fine imposed on him by a CFIA inspector for missing ear tags. The not so good news, from Habermehl's perspective, is that the Canadian Agricultural Review Tribunal, in its Sept. 3, 2010 ruling on Habermehl's case, did not determine that RFID tags are so defective and subject to malfunction and loss that the system needs to be rethought.

Habermehl's story began on May 26, 2009 when seven cows he shipped from his home ranch at Macrorie to the Elbow Community Pasture didn't have RFID tags in their ears shortly after arriving at the pasture. In his written decision, Panel Chair, Donald Buckingham, indicated that the CFIA inspector who looked at Habermehl's cattle in the pasture holding corrals hadn't determined that the tags were not lost in transport. According

to the applicable Health of Animals Regulations, an owner needs to ensure his animals are tagged prior to being transported, and needs to replace any tags lost in transport before the cattle are co-mingled with other animals.

The Panel accepted Habermehl's evidence that the cattle were tagged before leaving his ranch, and that the CFIA could not prove that the tags were not lost en route to the pasture. The inspector should have let Habermehl re-tag the animals without imposing any penalty.

One witness appearing at Habermehl's June 15, 2010 Tribunal hearing was a CFIA veterinarian who testified that it was unlikely for seven head of cows out of the total of 29 that Habermehl shipped that day would lose their tags.

Another witness, auction mart manager, Roy Rutledge, testified that tag losses are quite frequent. Tags are often found in transport trailers, and in the pens and sorting alleys at auction markets. Rutledge testified that tags fall out 10% to 30% of the time. Rutledge said that in his experience the current animal identification system has unrealistic expectations. He likened the process to "enforcing speed limits with speedometers that didn't register properly."

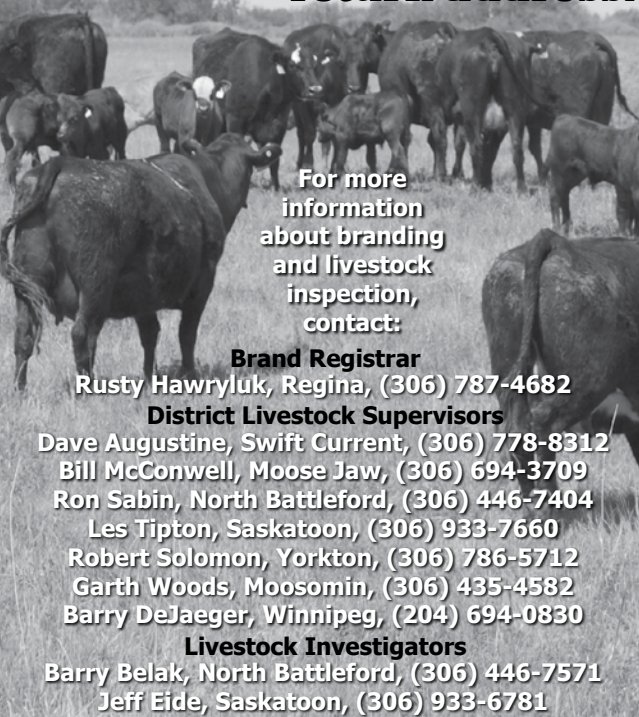
While the Tribunal determined that Habermehl was not liable for the fine, it did not accept that the issue of faulty tags made the law unenforceable. The decision states, "Almost any system of mandatory

identification is subject to mechanical failure and human error."

The decision recognizes that identification tag failure exposes players in the beef industry to liability for violations and reads in part:

"Considering that a producer has to purchase, apply and verify the constant presence of a RFID (CCIA approved) identification tag in the ear of each animal whenever they are moved from his farm or face liability for regulatory non-compliance. Part XV [of the H of A Regulations] does appear to impose a heavy responsibility on one sector for the benefit of all consumers and producers in Canada to assure traceability and food safety in the food system. Fair or not, this is, however, the regulatory burden that Parliament and the Governor in Council have placed on, in this case the applicant Habermehl, and the Tribunal must interpret and apply the law to the facts of this case."

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For more information about branding and livestock inspection, contact:

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District Livestock Supervisors
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Agriculture

Argentine Cow Numbers cont. from pg. 9

Marfig and JBS, are cutting back on production. Marfig's production was down by 23% for the first half of 2010.

The bright spot for the Argentine industry is the fact that the price per pound value of export sales for 2010 is up considerably over 2009 prices.

Canada's On-Farm Food Safety Program for Beef Cattle Producers

Cattle producers in Saskatchewan can qualify for funding provided through Growing Forward, a federal provincial initiative.

To be eligible they must:

- ✓ Attend a VBP workshop
- ✓ Have \$2500 worth of cattle sales in the previous tax year



Funding is available for 50% of approved equipment cost up to \$750 per producer. Eligible equipment includes:

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 - ✓ livestock weigh scales
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