



## ***Beef Industry Alliance***

#201, 2816 – 11 Street NE Calgary, AB. T2E 7S7

Tel: 403-250-2509

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### **Beef Industry Alliance (BIA) Backgrounder**

#### **About Us**

The Beef Industry Alliance is an informal coalition of progressive and forward-looking producer organizations.

The BIA was founded in September 2008 by:

- Alberta Cattle Feeders' Association
- Beef Initiative Group
- Western Stock Growers Association
- Feeder Associations of Alberta\*

BIA membership is growing representing over half of beef production in Alberta. Producers and their organizations are joined together to fight for change for our industry. Together, BIA members represent a significant portion of beef production in Alberta, and want to have a say in laying out a future for the beef industry in Alberta and Canada for the benefit of all.

New members include:

- Border Beef Inc.
- Canadian Legacy Partners

The BIA also welcomes involvement of exporters who are committed to growing the business in international markets.

#### **Our Vision**

The vision for the BIA is an informal industry coalition that brings together all players in the supply chain to discuss the challenges and opportunities of our industry, and to create a shared vision for the beef industry in Alberta. We will look at ways to make the new legislation introduced by the Government of Alberta and ALMS work for all industry players.

## **What does the BIA stand for?**

The BIA recognizes that we have a real opportunity to change. The BIA endorses the following principles for the industry:

- Governance: A new governance model must be created to ensure that we can move ahead in a progressive way by giving producers a choice about where their check-off dollars go, and ensuring that their organizations have a voice in advancing ALMS.
- Leadership: Build on the leadership demonstrated by the Minister, progressive industry leaders, and ALMA to broaden this effort to a national strategy.
- Solutions: We need to take a fresh look at how we grow the business and build a future for the beef industry with solutions that address real needs.

BIA members share values and concerns for the future of the industry. Challenges are facing the industry. Fundamentals, such as how we govern ourselves, determine how we respond to the challenges which include how we can gain access to international markets, Country of Origin Labelling (COOL), and currency fluctuations.

\*Has no formal position on the refundable check-off.



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### **Refundable Check-off Backgrounder**

#### **A Refundable Check-Off**

Currently in Alberta every time a bovine (beef and dairy cattle) is sold a three dollar levy is collected which is legislatively mandated to be given to the Alberta Beef Producers (ABP).

A mandatory payment of check-off dollars to one organization has not resulted in effective industry leadership. In order for there to be a strong future for the beef industry, change to the legislative framework was required.

Our check-off dollars have not been used successfully. There has been failure to open up international markets. Our industry is not moving forward. Despite having a high quality safe product we are falling behind.

The leadership of ABP is not listening to input from the various beef industry sectors even though strong efforts have been made by other organizations. There has been no real effort by ABP to introduce meaningful change in industry structure and funding.

#### **The Mandatory Check-off has not worked for our industry.**

One organization does not reflect the reality of the industry. The current system has become dysfunctional as it is not representative of the entire industry.

ABP is an important organization but there are others. All sectors must succeed and have a meaningful voice for the whole industry to succeed.

A mandatory check-off offers producers no choice. It forces producers to fund one organization even if that organization is ineffective and does not adequately represent the interests of all segments of the beef supply chain.

Mandatory membership via the check-off stifles the organization as they are forced to represent every member's interests and some of these interests will never align across all members. A guaranteed income from mandatory check-off dollars does not stimulate creativity.

### **Why a refundable Check-off?**

A refundable check-off will allow the producer to decide for themselves who will get their check-off dollars. A refundable check-off will bring accountability to our industry.

Allowing producers to choose where their check-off dollars go, and to determine which organization is the best to represent their interests, is the most democratic way to resolve the impasse facing the industry. A refundable check-off will modernize our industry with a new governance structure that will work for all sectors. A refundable check-off will energize the beef industry in Alberta and help us diversify our international markets to ensure a profitable future for our industry.



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### **Industry Background**

The BIA believes that because of this new legislation the industry can be improved to:

- Increase market access
- Quickly respond to market opportunities
- Modernize our governance structure
- Ensure that there is effective use of check-off dollars
- Increase accountability
- Provide a choice for producers in Alberta
- Ensure the continued safety of our food supply.

### **Alberta Livestock and Meat Strategy**

On June 5, 2008, Agriculture and Rural Development Minister George Groeneveld announced the Alberta Livestock and Meat Strategy (ALMS) which included the creation of the Alberta Livestock and Meat Agency (ALMA). Many in the industry who were consulted in the development of the strategy recognized that this was a bold step and a real opportunity to be part of a new way forward for the beef industry in Alberta. We are committed to working with the Minister, his department, and ALMA to ensure that ALMS is a success.

Minister Groeneveld's approach will ensure that Alberta beef is the safest it can be and will help to promote our product to the world. The Alberta Livestock and Meat Strategy represents the type of innovation our industry so badly needs.

The Government of Alberta is addressing critical issues such as traceability and age verification. The government has also delivered significant financial support for the livestock industry.

### **Development of International Markets**

Industry check-off dollars have not been used effectively to improve the beef industry. Since BSE, producers in Alberta have contributed over \$70 million in check-offs and what has been achieved? The international strategy has failed. There has been a failure to open up international markets.

The Alberta beef industry is falling behind international competitors because we are not responding to our international customer's concerns and capitalizing on new global opportunities. We must diversify from our continued dependence on the U.S. market,

which places our industry at enormous risk. Industry leadership has failed to address this challenge.

Other beef producing countries such as Australia have been more successful at accessing new markets, meanwhile the Alberta beef industry is lagging behind our international competitors.

Alberta beef is the best and safest in the world but we have not been effective at marketing our great product. Our industry must be more responsive to our customers. We must diversify our markets, and we must demonstrate to the world that our beef is the safest it can be.

### **Age Verification**

Age verification enables access to some international markets such as Japan, and will be key to our penetration into the South Korean and Chinese markets. International exports are of significant benefit to all producers.

The time and costs required to do this are modest and the government is putting significant resources to work to make this easier for producers.

### **Traceability**

Traceability has allowed Canada to maintain its reputation for food safety: recent discoveries of BSE cases have not resulted in border closures as we have been able to identify the herd of origin, and have proven the ability to quickly identify herd cohorts and offspring. Even in the case of the bulls that showed up with TB at slaughter resulted in a rapid identification of herd of origin resulting in the “isolation” of that herd until all cohorts and offspring were tested for TB. These cases demonstrate that the ability to identify and mitigate health risks is vital to all producers.

This builds on the cattle identification system and creates a platform for us to begin differentiating our products to suit customer’s needs.

### **Modern Governance**

With the introduction of this new legislation the Government of Alberta is ensuring that industry governance will be improved so that it is more accountable to producers and to our customers. The interests of all participants in the beef value chain will be represented. This new structure will treat the industry as a business rather than a collection of producers.

Industry check-off dollars have not been used effectively to improve the beef industry. With the new legislated changes the governance of the industry will now include:

- Accountability
- Choice
- A new energy
- Diversification
- Modernization

The new governance model will reinvigorate the beef industry and give producers a choice of who should represent them and how their money is spent under a new business model.