

Helping the Livestock Sector Move Beyond BSE

A CFFO Advisory

1. No Substitute for Rule Changes

There is no substitute for modifying the World Organization for Animal Health's ad hoc guidelines designed to deal with an outbreak of epidemic proportions in the U.K. We need binding international rules that make sense for countries with an incidental occurrence of BSE.

2. The Cattle Herd Needs to Be Shrunk

The Canadian cattle herd needs to be shrunk. Even if all border restricts are lifted for both live cattle and ruminant livestock products, the Canadian market will be drastically over-supplied. In the shadow of BSE a new normal has slipped into place – the rising Canadian dollar. Canadian prices will be dramatically lower even after trade relationships have been normalized. There is no easy way to shrink the Canadian cattle herd.

- Destroying healthy animals is not an option for public relations reasons.
- Donating livestock meat to low-income families or countries is not an option. All hook spaces in our slaughtering facilities are needed for those animals with a chance of providing some return to cattlemen. It is also unrealistic to expect that Third World countries will accept donated meat that Japan and the U.S. will not allow on their grocery store shelves.
- Cull animals need to go to market even though market prices are at disastrous level. Subsidies are appropriate for cull animals to make sure that enough cattle are culled in spite of the disastrous prices.
- Incentives to get cattle marketed at a younger age – well before 30 months – need to be explored.

3. Investing in More Slaughtering Facilities

Upgrading and expanding the slaughter of cull cows is an excellent place for government investment. Entrepreneurs upgrading slaughter capacity will need very creative farmer loyalty programs to survive the rising Canadian dollar and the return of competition once border trade normalizes. We are realists, there is a high risk that once the borders reopen to all live animals, they will again move south putting any new investment at risk. Also, if we build enough capacity we will flood the Canadian market with product and drive consumer prices down, thereby affecting the competitive position of other commodities. Nevertheless investments in additional slaughter capacity need to be encouraged and should be underwritten by a government funded risk management initiative.

4. Imports

Canada's import rules for ruminant livestock and products from countries with a low incidence of BSE should match the rules that others have set for imports from Canada. Canada needs to encourage HACCP-based food safety program

implementation and recognition as soon as possible and require imports to be produced under the same standards.

5. Traceability

Canada's cattle identification system needs a higher profile and further investment so that traceability will be improved. The development of a tag that stays in cattle ears better is an urgent need.

6. A BSE Firewall and Testing

We agree that the removal for SRMs (specified risk material) from the food and feed chain backed up by feed bans is the best firewall for BSE. Targeting high-risk animals for testing is the next most important part of the firewall. We accept that there is no quantifiable scientific merit in testing all cattle over 30 months. However, the marketplace is not driven by science. If Japan or any other country will publicly state that they will open their markets to our cattle or livestock products if all animals destined for their market are tested we should do so a.s.a.p.

Adopted
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Christian Farmers Federation of Ontario
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