

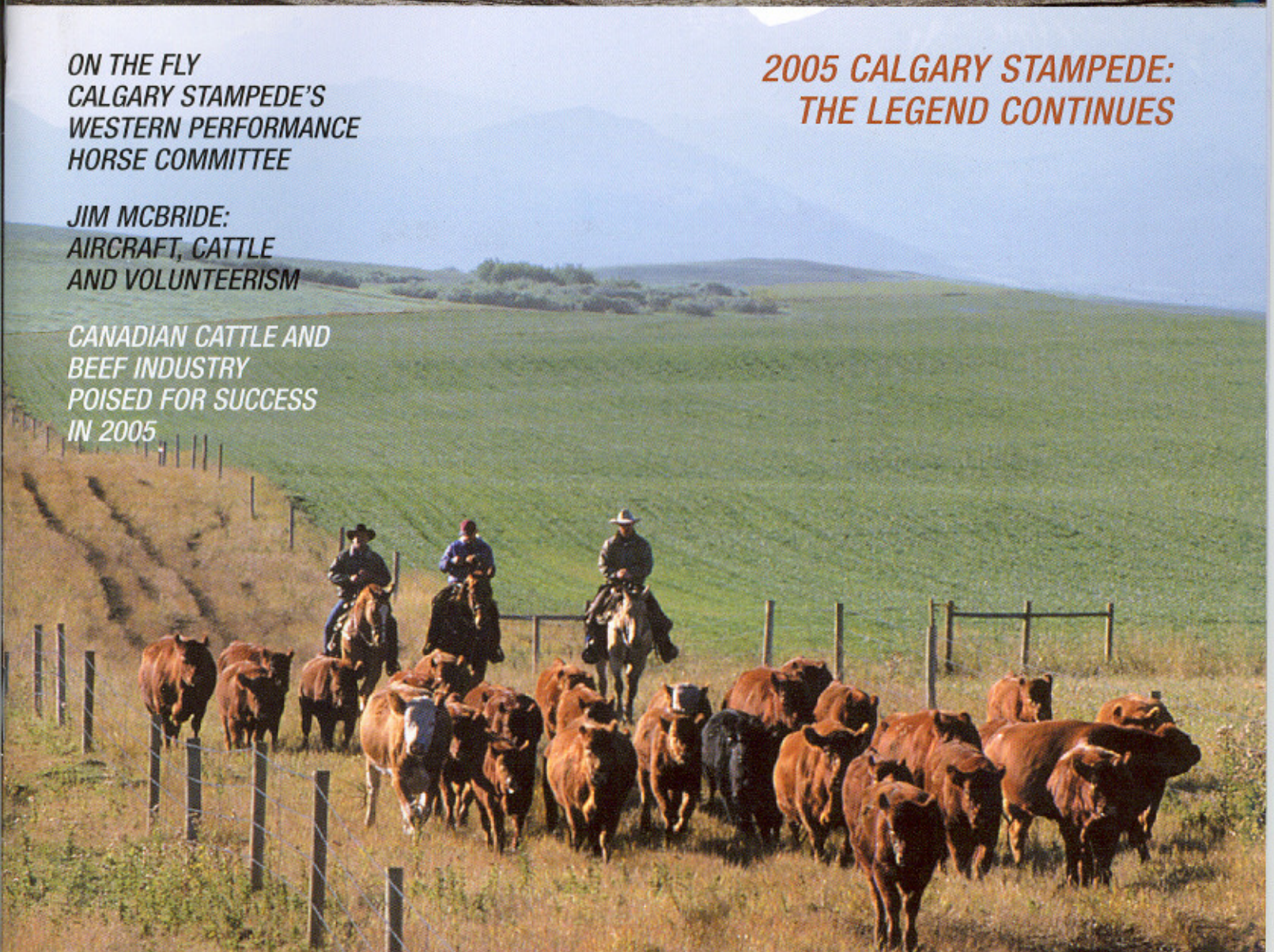
INTERNATIONAL AGRICULTURE PROFILE

*ON THE FLY
CALGARY STAMPEDE'S
WESTERN PERFORMANCE
HORSE COMMITTEE*

*JIM MCBRIDE:
AIRCRAFT, CATTLE
AND VOLUNTEERISM*

*CANADIAN CATTLE AND
BEEF INDUSTRY
POISED FOR SUCCESS
IN 2005*

*2005 CALGARY STAMPEDE:
THE LEGEND CONTINUES*



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SHOWCASING THE **AGRICULTURAL**
INDUSTRY TO THE WORLD





CANADIAN CATTLE AND BEEF INDUSTRY Poised for Success in 2005

It was with a renewed sense of confidence and determination that the Canadian cattle and beef industry greeted the year 2005. Following the reporting of Bovine Spongiform Encephalopathy (BSE) in May of 2003, the industry made great strides in re-establishing sales of beef and genetics products in 2004. In addition, progress was made in trade negotiations with key export markets for timely resolution of access for an expanded range of beef products and cattle. BY LOTTE ELSGAARD

Canadian beef was exported to over 50 countries around the world in 2004, recovering 90 percent of pre-May 2003 sales. Seventy-five countries have now re-opened to Canadian purebred semen and embryos and negotiations for the resumption of trade in live Canadian breeding stock are moving forward. The resumption of trade in Canadian feeder and slaughter cattle is also nearing the end of the political approval process in the United States, paving the way for trade in live cattle – and, for other countries to follow suit.

The Canadian industry is emerging from the BSE crisis a considerably more seasoned and integrated industry. The gains made in re-establishing trade have been the result of industry partners working together in concerted effort with each other as well as with federal and provincial government agencies and departments. It was an effort that achieved significant success in 2004 – and will serve the industry well as it moves forward to trade normalization.

Two of the industry partners working in concert are the Canadian Beef Breeds Council (CBBC), representing the interests of Canada's purebred sector, and the Canada Beef Export

Federation (CBEF). Both are industry organizations dedicated to diversifying and expanding international export markets for sales of Canadian cattle and beef.

Sector looks to 2005 as breakthrough year

"We've been working in lock-step with our partners in industry and government to open as many borders to as many products as possible in the shortest amount of time," says Herb McLane, Executive Vice President of the Canadian Beef Breeds Council (CBBC).

"Given that it has been demonstrated by science that semen and embryos do not transmit BSE, many of our close trading partners opened to us relatively quickly. While some countries have proven a real challenge in this regard, we are now seeing such important importers of Canadian purebred genetics as China and Argentina open for Canadian embryos.

"Lebanon was the first country to open to live breeding cattle from Canada," says McLane. "With the rule-making process in the United States moving forward, we continue to press the US to open to breeding cattle later this year. We anticipate that many other countries will follow their lead.

"In the meantime, we continue to argue for access on the basis of science and Canada's Minimal Risk status under international guidelines," he says. "Canada is a world leader in individual animal identification, tracing and age verification methods – as well as compliance to accepted feed protocols,

The first Hong Kong importer to receive an official import permit for Canadian beef following the opening of the Hong Market November 30, 2004, was Hoover Food Supplier Limited. Located in Hong Kong, the company is a long-time supporter of Canadian beef. Pictured from left to right are: Lydia Chan, Director of CBEF's China Office, Mr. K.L. Chan, General Manager of Hoover Food Supplier Limited, Ted Haney, President of CBEF and Ben Thorlakson, Chairman of CBEF.

on-farm safety, surveillance, diagnostics and other measures that preserve and protect animal health, food safety and consumer confidence.

"We continue to make public and private investments to enhance these safeguards," says McLane. "Canada deserves to be further acknowledged by the international community for our leadership in these initiatives – and the ultimate measure of that recognition is the re-establishment of normalized trade.

"Meanwhile, Canadian packers are increasing their capacity to slaughter and process beef. This is based on economics to be sure, but is with the encouragement of the cattle industry. In the longer run, this expansion will lessen our dependence on foreign markets for cattle and, with our established reputation for exceptional quality, give us a competitive edge in the international marketplace." McLane adds: "Canadian purebred beef cattle genetics are at the top of the scale for economic traits such as growth, efficiency, and meat quality, as well as many other important characteristics. Cattlemen the world over can import from Canada with confidence."

CANADA BEEF expects significant export sales in 2005

"The Federation expects exports to Asian markets to be significantly higher in 2005 as access is restored," says Ted Haney, President of the Canada Beef Export Federation.

"We entered 2004 trading strongly into Mexico, then regained access to Macau in February and Hong Kong in December," says Haney. "Over the year we shipped an estimated 120,000 tonnes of Canadian beef to markets outside the US, of which the South China market alone imported over 9,000 tonnes of Canadian beef."

Demand for Canadian beef in those markets that have re-opened is strong. Following the Hong Kong Authority's announcement on November 30, 2004 that it was granting immediate access, there was a rush to put Canadian beef back on the shelves. The first shipment to reach Hong Kong arrived

by air on December 12, 2004, and almost all of Hong Kong's major retail stores were displaying Canadian beef in their meat cases before Christmas.

International access not likely affected by additional BSE cases

The Federation believes that international market access will not be affected by additional cases of BSE.

"Productive negotiations will continue in Japan, South Korea, China, Taiwan, Indonesia, Russia and many other key markets around the world," says Haney. "We expect trade in live cattle to the US to proceed as slated in 2005 and the range of Canadian beef products to be expanded. This new template will likely be adopted by many of the 50 countries that have imported Canadian beef in 2004 – leading to the normalization of trade."

Canada's status as a Minimal Risk country is based on its science-based BSE safeguards to protect animal health and food safety. It is Canada's national surveillance program, which has seen the testing of more than 24,000 high-risk cattle since January 2004 that detected the additional cases. These cases are well under the maximum level allowable with the OIE Minimal Risk status. OIE allows up to two cases per year per one million head of cattle over the age of 30 months in any region or country. This would allow Canada to diagnose between ten to twelve cases per year.

"Canada is becoming recognized as a world leader in the control and elimination of BSE in its national cattle herd," says Haney. "Canada and its trading partners are moving away from an 'incidence' approach to the new 'risk assessment' approach to BSE and trade policy. It has become less important if a country has one or a few additional cases – and more important that import, feed and food controls are in place and backed up with a credible surveillance program."

For more information visit: www.canadianbeefbreeds.com and www.cbef.com

Lotte Elsgaard is Communications Manager for Canada Beef Export Federation

Alberta begins a year of centennial celebrations

Alberta turns 100 in 2005 and it will be a yearlong celebration, full of events and projects leading up to the September 1 birthday.

The Calgary Exhibition & Stampede (CE&S) is celebrating the Province's Centennial throughout 2005. "We've planned an extensive celebration for Alberta's Centennial with a number of projects that will bring the unique western heritage and values of our organization to life," says Tracey Read, 2005 Celebrations and Heritage Manager of the Calgary Exhibition & Stampede. "Our projects embrace our staff, volunteers, partners and the broader community – inviting everyone to contribute, learn and have fun." As a part of the celebrations, CE&S volunteers will sponsor a project through Habitat for Humanity.

The Stampede, which has been a part of Alberta history for the past 118 years, chose three themes for its Centennial planning: Creating our Legacy, Honoring our Values and Engaging our Community

Visitors to Alberta, Calgary, and the Calgary Stampede will be able to view exhibits and artifacts, and participate in numerous Centennial projects and celebrations.

For more information on the various Centennial events and programs planned by the Calgary Exhibition & Stampede please visit: www.calgarystampede.com/2005celebrations.

