

ILC Calgary 2006 Student report:

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Introduction:

On July 12 to 15th 2006, I had the privilege to attend the International Livestock Congress in Calgary and meet with leaders of Canadian beef industry. Throughout the student program, I was able to hear and see the preoccupations of the people working in the cattle industry and had the opportunity to discuss personally with individuals allowing me to share ideas and hear their opinions on current topics of concern to the industry.

I am a veterinarian and I am currently doing a PhD in microbiology at the University of Calgary. My interests lie in the relationships between veterinary medicine and human medicine, with a particular focus on food safety and the possible impacts of animal production practices on public health. It is with these topics in mind that I attended ILC Calgary.

The Student tour:

The first part of the student program on Thursday July 13th consisted of a tour of the Cargill slaughterhouse and packing plant in High River, a presentation from the Canadian Cattle Identification agency, and a tour of Western feedlots and Tongue Creek Feeders.

I had previously visited several packing plants in Quebec, but I really enjoyed visiting a packing plant of the scale of the Cargill facility in High River. I heard about the opinions of the operators of the packing plant on market changes and increasing need for age verified cattle for export markets and how producers can get value added for age verified cattle using the radio frequency identification (RFID) tag system. It was also interesting to find out how, by sharing RFID tag numbers, carcass quality data can be related back to the feedlot, thus allowing the feeders to find out how their cattle perform and improve the overall quality of their production. This transfer of information, however, seems to be done on an individual basis and may not be available to small feeders who may want to get access to this data. The transfer of information also appeared to stop at the feedlot without reaching the cow-calf operator, which in my mind, could greatly benefit from the information within the breeding program.

Although I had a general idea of the identification system for cattle in Canada, getting a first hand update from the Canadian Cattle Identification Agency (CCIA) of the progress made over the past few years was very useful. In addition, learning about the future use of the system for age verification system and potentially movement tracking was really interesting.

As a veterinarian with an interest in infectious diseases and public health, I see great opportunities for learning about disease transmission with movement tracking. This system was put in place for tracking of reportable diseases such as BSE but it could also

be used to understand the dynamics of bovine respiratory diseases of antibiotic resistant bacteria. Although all the data gathered by the CCIA is confidential and likely needs to remain that way for continued trust and participation of farmers, voluntary disclosure or release of some of the data to certain organization (universities) could help us determine the movement of microbes within the cattle population. Molecular techniques available currently in microbiology allow the differentiation of genetically related strains much better than in the past, and thus allow for much more advanced understanding of epidemiology. Being able to relate molecular data to movement of cattle would allow us to understand how and when organisms are passed on between animals and how these organisms are maintained in cattle herds and transmitted between herds. This could potentially provide farmers with precious information on how to limit disease problems within their herds.

Nevertheless, I was a little disappointed by the factors driving the move towards movement tracking and age verification. It seemed to me as though meeting international requirements and maintaining international market access was the central force behind implementing these improvements in food traceability, and the potential for local disease monitoring and containment didn't seem to be a major preoccupation to the industry, at least not in the processing/packing sector. I do believe that having a trace back program which is industry-led may encourage greater participation from farmers, however, I believe that we may be missing out on some important information by focusing only on market demands. In terms of public health, a large-scale trace back system could be used to track movement of any organism of public health importance or of animal health

importance and could therefore be used to improve animal health and welfare. I believe that the identification and tracking systems are currently underused and that both the cattle industry and public health agencies could benefit from access to more of the information that is being collected.

The interactive session at the round T ranch allowed us to speak with people from the Canadian Cattlemen Association and others leaders of the industry and hear first hand what issues they consider will affect the Canadian beef industry in the near future. The issue of human resources shortage was brought up and seems to be a rising concern in Canada and especially Alberta. With other industrial sectors, such as the oil and gas industry, being able to lure workers with high salaries, other employment sectors are experiencing ever growing human resource shortages and the beef industry has to find innovative ways to attract labour. Currently the feedlots seemed to be interested in trying to recruit workers from South America. It appears to me that the dramatic increase in real estate prices over the last 2 years would also be a deterrent for people to get established in Calgary and surrounding areas whether they are from Canada or other parts of the world and that salaries would have to meet the increased housing costs.

We had the opportunity to visit 2 feedlots during the afternoon. First we went to Western feedlots in High River and we met with Calvin Booker who discussed health management strategies. I was impressed that this feedlot has actually hired an epidemiologist to perform in-house performance improvement studies and this leads me to believe that the feedlots rely greatly on sound scientific methods to make decision on

their management practices. I find this very encouraging, as I believe that this type of attitude will help implement management practices that actually have a scientifically proven impact on public health, not those who might be perceived as having such an impact.

The Conference:

The first talk of the conference was an update on the World Trade Organization (WTO) negotiations given by Alanna Koch of the Canadian AgriFood Trade Alliance (CAFTA), which has the mandate of advocating the liberation of Agri-Food markets. She gave a summary of the frustration of CAFTA at the failure to reach an agreement, and the potential negative impact if a full agreement is not reached by the deadline for the Doha round which is December 31st, 2006.

The current beef market is highly distorted with subsidies on production in several countries and average tariff of 80% on beef. However, countries like Japan and Korea are not fully utilizing the full amount of tariff they can impose and could increase them if an agreement is not reached, distorting the market even further. Given that the Canadian beef industry is a major exporter of beef, a failure to reach an agreement may not only fail to improve international trade but could further decrease our access to foreign markets. However, Canada's approach at the DOHA rounds was not in line with what CAFTA advocates, apparently not willing to make many concessions in other commodity sectors. While I understand that the protective measures in other sectors such as the dairy

and poultry industry are long standing and that these markets would suffer tremendously at least initially if these measures were abolished, and I understand that the government must be under very strong pressure to maintain these. However, I do believe that our government should feel obligated to eliminate these, not so that the cattle industry could benefit from less distorted markets but to establish an unprejudiced international market. We have a strong economy at the international level and we need to make sure that we are participating fully in international efforts to establish a fair trade environment for developing countries even if this means some Canadian industries may suffer.

While the majority of the talks at the conference focused on economic aspects of concerns for the beef industry and as such did not have a major impact on my professional view of the industry, the talk given by Dr. David Hughes touched me as a consumer. It impressed on me how much the consumers are in control of where the industry will go. The real competition for beef producers is not necessarily beef producers in other countries but more and more other meat products, such as poultry and pork and even meat substitutes. The real battle is played out on the supermarket shelf and on the restaurant menu, and the winner will be whoever can sell the 'concept' of it's product better. So far, the beef industry has been lagging behind the other sectors, which have shown much more innovation in creating more 'ready-to-serve' and 'branded' versions of their products while beef is still mostly presented in the white styrofoam packs. I believe the only way the beef industry can expand is through meeting consumer demands more effectively. I think that beef, especially Canadian beef, is already labelled as a high quality food product in terms of taste and nutritional value, and this is marketed

effectively with high value cuts of meat. I see two potential and very different markets that the beef industry could tap into. First, the cheap, massively produced and transformed products and second the high quality, expensive, locally grown, environmentally friendly, no chemicals, natural market. Since I am not convinced we can compete with other countries, such as Brazil, that can produce cheap grass-fed beef, I don't think that highly processed products is what we should aim for and that we should focus more on the 'natural' market.

One of the main issues of concern for the beef industry was that of biodiesel and biofuels. It was first brought up at the conference by Brant Randles of Louis Dreyfus Canada inc. during a talk on the global feed grain market and supply and was then thoroughly discussed during a round table on the Saturday morning. The demand for oil is expected to continue growing at a fast pace in the future, especially with fast growing economies like China. If oil prices remain high it is expected that more grain will be used to produce ethanol to incorporate in gasoline. This will create a huge inelastic demand on corn supply and it is expected that there will be a supply deficit. This could be minimized by converting conservational land, using increased productivity varieties and converting oilseed and other grain production land to corn production, however, corn prices are still expected to increase, potentially doubling over the next 5 years. Again, according to Mr. Randles, the grain market will be a sellers market and the prices of grain will be volatile. The cattle industry, unlike other animal productions such as poultry and swine, especially here in Alberta where corn is not cultivated, may benefit from ethanol production. The cattle industry can actually use distiller's by-product as feed and could benefit from being

located in close proximity to ethanol plants and feed wet distiller's grain. In Canada, the policies are not conducive to use of land and development of ethanol and biofuels as much as in the U.S. this is, in my opinion, a good thing. Before we lobby for ethanol mandates, I believe we should carefully evaluate the consequences of this over the global economy and world development, not just the cattle industry. As someone greatly put it, I think that we should be careful in how we, citizens of the world, develop this sector, and set priorities as the '3 Fs, food, feed, and fuel'. If we start using arable land for fuel production this may decrease food availability or increase food and feed prices.

In conclusion, this conference was a great opportunity to hear about the issues of concern to the leaders of the Canadian cattle industry. I was a little disappointed, although not surprised, that improving food safety and minimizing possible public health or environmental impact was not a big concern. Although beef is a safe product and generally regarded as such, I think the industry has a lot to gain in really targeting this aspect and improving it, keeping one step ahead of consumers, which are already starting to request this at the supermarkets.