



# THE ONTARIO STEAKHOLDER

Summer 2005 Volume 1 Issue 1



CONNECTING ONTARIO'S BEEF FARMERS TO THE ELECTED MEMBERS WHO REPRESENT THEM.

The Ontario Cattlemen's Association (OCA) is a grassroots organization that provides leadership to all sectors of the industry. Now more than ever, it is important to maintain constant contact with our elected Members, both provincially and federally, to ensure that the concerns of our industry are heard, and that effective solutions can be explored and adopted. OCA hopes that you will come to recognize *The Ontario Steakholder* as your source of reliable information from the Ontario beef industry.

## Message from the President



On behalf of the Board of Directors of the Ontario Cattlemen's Association (OCA) and the 21,000 beef farmers and families we represent, I am pleased to introduce our new quarterly government relations newsletter, *The Ontario Steakholder*. I hope that you will enjoy reading it, and learning more about our industry and how you, as an elected representative, can work with us to face our challenges and opportunities.

Our industry is extremely complex, and it is important that all parties understand the issues that we, as beef farmers are currently working through. OCA looks forward to working with all elected Members, both federal and provincial, to ensure that the concerns of Ontario's beef farmers are heard.

Ian McKillop  
OCA President

Look for *The Ontario Steakholder* every Spring, Summer, Fall and Winter.

## OCA Welcomes New Minister of Agriculture, Food and Rural Affairs

The Ontario Cattlemen's Association would like to extend congratulations and welcome to The Honourable Leona Dombrowsky, who the Premier appointed to the province's Agriculture, Food and Rural Affairs portfolio in June.

OCA President, Ian McKillop, looks forward to working with the new Minister, at a time when critical decisions will be required.



"I would like to congratulate The Honourable Leona Dombrowsky for becoming Ontario's new Minister of Agriculture, Food and Rural Affairs. I have had the pleasure of meeting Minister Dombrowsky and our Board of Directors is confident that we will enjoy an effective and close working relationship with her and her staff. In her previous portfolio as Minister of the Environment, Minister Dombrowsky showed a clear grasp and understanding of the issues that concern us, and we have no doubt that the Minister will continue to engage us in all beef-related issues."

The OCA Board of Directors would also like to thank The Honourable Steve Peters for the support and dedication he gave OCA and the Ontario beef industry during his time as Ontario Minister of Agriculture and Food. We wish him all the best in his new role as Ontario Minister of Labour.

# INDUSTRY INSIDER



## BSE and the Border Situation

In terms of volume, beef is the second largest agricultural product in Ontario, with farm gate receipts of over \$1 billion in 2002 (pre-BSE). Since May 20 of 2003, however, our industry has suffered greatly as a result of three cases of Bovine Spongiform Encephalopathy (BSE) in Alberta. When the first case was discovered, Canada immediately lost all of its export markets. To date, the financial losses to Ontario's beef farmers, as a result of closed export markets has been over \$624 million, even after government support.

To understand how our industry was impacted by the border closure, especially the United States (US), it will help you to know that prior to May 2003, Canada exported about 1.5 million head (live cattle) per year to the US. That number fell to 0, following the closure of the US border.

At that time, the US border was also closed to all boxed beef, but in August of 2003 it re-opened to boneless beef from cattle under 30 months of age, which provided an outlet for our oversupply. The US border was expected to open to live cattle on March 7 of this year, but on March 2, a District Court judge in Montana issued a temporary injunction which prevented it from happening.

Finally, on July 14 the Ninth Circuit Court of Appeals reversed that preliminary injunction, stating that the US Secretary of Agriculture had a firm basis for determining that: the resumption of ruminant imports from Canada would not significantly increase the risk of BSE to the American population; that Canada's already low risk of BSE is decreasing; and that R-CALF has not shown a likelihood of success on the merits of its action.

On July 18, 2005, the first live Canadian cattle crossed into the US since BSE was diagnosed in Canada in May 2003.

At time of printing, a hearing in Montana, which had been scheduled for July 27, to determine if the temporary injunction issued on March 2 should be made permanent had been vacated, and not yet rescheduled.

The legal action in the US has been driven by a protectionist group of ranchers called R-CALF (Ranchers-Cattlemen's Action Legal Fund). This group is also trying to get the courts to stop the movement of boneless beef into the US. If this is allowed to happen it will create further devastation for Ontario's beef producers.

The Canadian beef industry does have some positive news in light of the adversity that we have faced. There are over 60 countries that will accept Canadian processed beef. The largest of these markets are the US and Mexico. About 30,000 metric tonnes per month is shipped to the US.

As a result of the lengthy border closure, we are seeing a massive restructuring of the North American packing industry in Canada. Without Canadian cattle to process in the US, processors are closing plants and laying off workers. Further evidence of the restructuring can be seen in the recent purchase of Ontario's largest packer, Better Beef Ltd, by Cargill. The Canadian beef processing industry has made huge slaughter capacity increases over the last 2 years. Prior to May 2003, the Canadian weekly kill was about 63,000 head. But in May of this year, the weekly kill was over 83,000 and that number is expected to be over 97,000 by the end of 2005.

## Scene and Herd...



Ontario Premier, The Honourable Dalton McGuinty (center), with OCA President, Ian McKillop (right) and his wife, Andi.



In his former role as Ontario Minister of Agriculture and Food, The Honourable Steve Peters (center) serves beef with OCA President Ian McKillop (left) at OCA's Annual Beef Awareness Day at Queen's Park on June 2.

# The Ontario Beef Industry

## Ontario Beef Statistics and BSE Impacts

- > There are 21,000 beef farms in Ontario (18,000 cow/calf; 3,000 feedlot)
- > In our last normal year of production, 2002, Ontario's beef industry contributed \$1.2 billion in farm gate sales
- > Ontario's beef industry is the second largest of any Canadian province. Ontario raises 17.5% of Canada's fed cattle (Alberta is the largest with 71.3%).
- > The BSE (Bovine Spongiform Encephalopathy) crisis has cost Ontario beef farmers over \$624 million in losses since May 20, 2003.

- > Prior to May 20, 2003, cattle in Ontario were trading at about \$1.10 per pound (live weight). At the lowest point in the crisis, cattle were trading at about 30 cents per pound.

## Trade Information and Status

- > In 2002, the US accounted for 87% of Canadian beef trade, with the balance to Mexico (6.7%), Asia (4.5%) and other (1.8%). Exports of beef and cattle commodities were valued at \$4 billion.
- > Prior to May 20, 2003, Canada exported almost 70% of our cattle and beef production to the U.S.

	Losses to Feedlot Sector	Losses to Cow-Calf Sector	Ontario Beef Farm Losses
May 20, 2003- December 31, 2003	\$ 205 million	\$ 14 million	\$ 219 million
January 1, 2004- December 31, 2005	\$ 262 million	\$ 56 million	\$ 318 million
January 1, 2005 – May 20, 2005	\$ 76 million	\$ 11 million	\$ 87 million
<b>Totals</b>	\$ 543 million	\$ 81 million	\$ 624 million

## Canadian BSE Safeguards

- > CFIA increased BSE surveillance by almost 800% in the first four months of 2005 when compared to 2004. Surveillance is a critical part of maintaining Canada's minimal risk status, as designated by the World Organisation for Animal Health (OIE)
- > A recent OIE decision lends strong support to Canada that no country should remain closed to boneless Canadian beef from under thirty month animals.
- > A ruminant-to-ruminant feed ban introduced in 1997 to reduce the risk of BSE.
- > The mandatory Canadian Cattle Identification Agency (CCIA) National Identification program was introduced in 2001 and is highly-regarded, globally, as a proactive animal disease management system
- > Research has proven that BSE only affects certain parts of infected cattle. These tissues, know as Specified Risk Materials (SRMs) are removed from all animals slaughtered for human consumption in Canada. This measure is recognized internationally as the most effective way to protect human health from BSE.

# An Introduction to the OCA Board of Directors



The 2005-2006 Ontario Cattlemen's Association Board of Directors are:

Back row (left to right): Past-President, Ron Wooddisse (cow/calf); Dale Pallister (feedlot); Dianne Booker (backgrounder); Roger Griffiths (Director at Large); Doug Kaufman (feedlot); John Gillespie (Director at Large) and Kim Sytsma (cow/calf).

Front row (left to right): Curtis Royal (feedlot); Vice-President, Gord Hardy (Southern Director); President Ian McKillop (cow/calf) and John Newman (Eastern Director).

Absent: Jim Martin (Northern Director)

# Grade **EH** Beef Recipe of the Season: **Summer**



## LEMON PEPPER STEAK FOR TWO

*When you want something simple yet special for the two of you, here's the ideal no-fuss supper.*

### INGREDIENTS

1/2 lb . . . . . 250 g . . . . . GRILLING STEAK (i.e. Rib Eye or Strip Loin), cut 3/4 inch (2 cm) thick  
 1 tsp . . . . . 2mL . . . . . cracked black peppercorns  
 pinch . . . . . pinch . . . . . salt  
 1/2 tsp . . . . . 2mL . . . . . butter  
 1/3 cup . . . . . 75mL . . . . . beef stock  
 pinch . . . . . pinch . . . . . grated lemon rind  
 2 tsp . . . . . 10mL . . . . . lemon juice

### DIRECTIONS

Trim fat from steak. Press peppercorns onto both sides. Barbecue or broil steak, turning once, for 6 minutes or until browned but rare inside. Transfer to heated plate, sprinkle with salt. Tent with foil; let stand for 5 minutes. Meanwhile, heat butter in a small skillet on medium. Add stock, lemon rind and juice; bring to a boil, stirring for about 2 minutes or until syrupy. Pour in any juices that have accumulated on steak plate. Serve sauce drizzled over steak.

**COOKING TIME:** 15 minutes

**Number of Servings:** 2

### Nutrition Information Per Serving

Calories . . . . . 185  
 Protein . . . . . 27 g  
 Fat . . . . . 8 g  
 Carbohydrates . . . . . 1 g

## Support the Canadian Beef Industry. Ask if it's **Canadian!!**



Bill Murdoch, MPP for the riding of Bruce-Grey-Owen Sound (left) Murdoch and Larry Miller, MP for the riding of Bruce-Grey-Owen Sound (right) add an "I love Canadian Beef" sticker to Dave Sink's hot dog cart during Murdoch's annual meet and greet in Durham. Don Crosby photo.

## THE ONTARIO STEAKHOLDER

Since 1963, the Ontario Cattlemen's Association has been the unified voice of the province's 21,000 beef cattle producers. OCA advocates on behalf of its members in the areas of government lobbying, policy planning, industry development programs, promoting beef and developing domestic and export markets.



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