

## Finding value in an increased National Check-off investment

May 30, 2016

There is firm support across Canada's beef cattle industry for a \$1.50 increase in the National Check-off (NCO) to advance the goals of the National Beef Strategy. To date, provincial cattle associations in British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, and Prince Edward Island have passed resolutions to support a National Check-off increase. It is encouraging to see the momentum building for a \$2.50 National Check-off as provincial associations undergo their own unique processes with their respective members and governments in order to formalize their support and enable the funds to flow in support of the objectives of the National Beef Strategy.

Although the increase is extremely necessary - the National Check-off hasn't increased since its creation in 2002, nor has it been adjusted for inflation -- it's important that the transition to a \$2.50 National Check-off occur in a coordinated fashion. Industry could be in a position to implement the \$1.50 increase in National Check-off as early as the third quarter of 2017. But as beef producers know, having a long lead time is a necessity in the beef industry as change, especially the transformative change called for in the National Beef Strategy, does not turn on a dime.

The transition period to implementation allows all stakeholders time to fully digest the targets outlined in the National Beef Strategy and understand them as concrete, achievable goals in a forward-thinking business plan to secure the long-term competitiveness of Canada's beef industry.

A new concept introduced in the National Beef Strategy is the industry issues management role under the [connectivity pillar](#). Under the Strategy, the Canadian Cattlemen's Association (CCA) is proposed to receive NCO funds dedicated to the industry issues management role and related eligible activities under the connectivity pillar. Operationally the CCA will continue to be funded as it has always been, through annual fee assessments to its provincial cattle association members.

NCO funds directed to CCA to administer the industry issues management role will be utilized to address those production practice issues deemed as eligible under the Canadian Beef Cattle Research, Market Development and Promotion Agency's (the Agency) Proclamation.

Specifically, the Agency is authorized to:

- a) promote the *marketing and production of beef cattle*, beef and beef products for the purposes of interprovincial, export and import trade; and
- b) conduct and promote research activities related to those farm products.

As required by all recipients of NCO funds, the CCA will submit a plan to the Agency each year and report back on it. The plan will detail the eligible activities and be in compliance with the *Farm Products Agencies Act* and the Agency Proclamation.

The industry issues management position will be a full time role once the National Check-off increases. Currently, the issues management position is part time and is being funded by the CCA. The need for an

expanded issues resource is evident given the questions and misconceptions about cattle production practices currently prevalent in public discourse.

The environmental impacts of beef production, particularly concerns about greenhouse gas (GHG) emissions and climate change, animal welfare and the healthfulness of beef, particularly around the use of antibiotics and growth promotants, are all themes that the beef industry and the issues manager address. Some recent high profile examples of work to address misinformation include decisions and announcement made by [Earls Restaurants Ltd.](#) to purchase beef produced under the Certified Humane Beef® label, the International Agency for Research on Cancer ([IARC red meat classification](#)), and Consumers Reports '[Beef Report](#).'

The \$1.50 increase in the NCO would also support additional research activities of the Beef Cattle Research Council (BCRC) and the marketing and consumer research activities of Canada Beef, the organization responsible for marketing and promotion of the Canadian beef and veal.

The BCRC has a long record of producing value for the industry as a result of NCO investments. Some of this research is very complementary to the resource repository to support consumer confidence which could be developed under the issues manager role, such as [work measuring improvements to the environmental footprint of the Canadian beef industry between 1981 and 2011](#). This is also a valuable asset for the Canadian Roundtable for Sustainable Beef.

Ongoing research projects are of tremendous value to producers. An example is the pilot implementation of a [longitudinal disease surveillance network](#) for cow-calf operations in western Canada. This surveillance network will provide timely and efficient answers to questions regarding animal health, welfare, biosecurity, and animal nutrition and other production practices and economics.

Additionally, the BCRC is actively implementing knowledge dissemination and technology transfer mechanisms that encourage producer uptake of beneficial production practices, innovations and technologies. One example is informative webinars that feature research and industry experts who share information and advice to producers. The presentations, which have been very well received, are no cost to producers and can be watched at their convenience.

With a National Check-off increase in place, Canada Beef will be able to invest over \$14 million annually in support of the beef demand and connectivity pillars of the National Beef Strategy. [Canada Beef's investment](#) will focus on four key areas: go-to-market programs; evolution of the Canadian Beef Advantage; brand and marketing programs; and public relations and issues management.

Go-to-market programs feature cooperative business development, marketing and co-branding programs with key domestic and international partners in the value chain including packers, exporters/importers, processors, distributors, retailers and foodservice vendors. This includes hosting trade missions, branding series and gate-to-plate seminars; and cooperative market development initiatives with Canadian Trade Commissioners and other government partners.

Investment into the evolution of the Canadian Beef Advantage will ensure research and technical resource development is done to validate and enhance the perception and standing of Canadian beef against key competitors.

Canada Beef will also invest in [brand and marketing campaigns](#) to create brand awareness and loyalty with target audiences including consumers, trade partners and key influencers in key markets worldwide. This investment will allow for significant [consumer-focused advertising and marketing campaigns](#).

Investments will be made towards public relations and social media campaigns to manage and [address issues](#) that erode consumer confidence and willingness to purchase Canadian beef. Canada Beef will work with national and provincial partners to communicate joint industry positioning to consumers and key influencers on social license issues such as human health, environmental stewardship and animal care, and to engage and equip Canadian beef industry advocates.

The [National Beef Strategy](#) is about positioning the Canadian beef industry for greater profitability, growth and continued production of a high quality beef product of choice in the world.

The Strategy will provide measurement and report on progress so the return on investment will be clear to all stakeholders. The plan will be more responsive to addressing unexpected issues that arise, which will help to ensure the industry continues to progress in a profitable and responsible manner.

Watch for more articles on the value of issues management activities, along with the value BCRC and Canada Beef activities bring to beef cattle producers across the country thanks to their NCO investments.

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