

CANADA'S NATIONAL BEEF STRATEGY 2020-2024

OVERVIEW OF THE STRATEGY

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.

WHY A NATIONAL BEEF STRATEGY?

The Canadian beef industry is facing new opportunities and challenges with strong influences on the supply and demand of beef. These include:

- The Canadian Food Guide was released in January 2019, as part of a larger Healthy Eating Strategy, with an emphasis on eating plant-based protein. While beef was shown on the plate guide, there is insufficient recognition that beef adds essential micronutrients (such as zinc, iron and vitamin B) to the food supply with greater bioavailability of nutrients when beef and plant proteins are consumed together.
- Global reports continue to spread misinformation about beef production and information that is not applicable to Canada; therefore, there is an increasing need for communications with the public about facts related to the environmental impact, animal welfare and the nutritional value of Canadian beef.
- Larger protein supplies in North America and globally were expected to pressure prices lower. However, a major supply disruption to Asian pork production with African Swine Fever could set up protein sectors world-wide into a prolonged expansion phase over the next five years that is highly volatile and uncertain.
- As trade agreements are ratified, strong international demand presents opportunity to increase export volumes to several countries looking for high-quality grain-fed beef.
- In 2014, the Canadian Agricultural Human Resource Council reported that the beef industry had a labour shortage of 3,500 jobs at primary production (cow-calf through feedlot). Labour is one of the main impediments to expansion.
- New technology is available that can be applied to the beef industry, creating opportunities in research, innovation, and adoption that reduce production costs and support producer competitiveness.
- The competitiveness of Canadian cattle producers is under constant threat, with pending changes to transportation and traceability regulations being the most recent examples. In addition to competitiveness concerns, the proposed transportation regulations may in fact have unintended animal welfare implications.

WHAT IS THE NATIONAL BEEF STRATEGY?

The 2020-24 National Beef Strategy is designed to take advantage of the opportunities facing the industry while simultaneously addressing the challenges. It is about how to best position our industry to compete for a larger share of the world market and to become the high-quality beef product of choice in the world. The industry vision, mission and pillars remain unchanged providing consistency with the 2015-19 National Beef Strategy. Focus areas and tactics have been updated to reflect the current market and regulatory environment that producers face.

The National Beef Strategy has been developed with the aim to achieve specific goals that are aligned with the industry's vision and mission under four pillars. The pillars identify focus areas where industry stakeholders will work together to collectively achieve the outcomes identified. Under each focus area specific outcomes have been defined that work towards meeting the goals established by industry.

VISION

**A DYNAMIC PROFITABLE
Canadian cattle and beef industry**

MISSION

**To be the MOST TRUSTED and COMPETITIVE high-quality
beef cattle producer in the world recognized for our superior
quality, safety, value, innovation and sustainable production methods.**

PILLARS AND GOALS



BEEF DEMAND

Support the comprehensive cutout above \$270/cwt

METRICS

To support the retail beef demand above 115 (Index 2000=100)

To support the wholesale beef demand above 105 (Index 2000=100)

To support the international beef demand above 100 (Index 2000=100)



COMPETITIVENESS

Encourage a competitive regulatory, policy, and market environment

METRICS

To reduce the labour shortage by 50%

To reduce cost disadvantages compared to main competitors by 2%



PRODUCTIVITY

Improve production efficiencies throughout the supply chain

METRICS

To reduce average open rates by two percentage points in each region

To reduce average calf death losses to 5% in each region

To improve feed efficiency by 5%

To improve national average hay yields by 2-10%



CONNECTIVITY

Enhance industry synergies and connect positively with government and partner industries

THE CANADIAN BEEF ADVISORS

The Canadian Beef Advisors consist of the current chair or president and senior staff of each of the seven national beef organizations responsible for policy, marketing, research and sustainability. They are a diverse group of experienced industry representatives who are leading the implementation of the National Beef Strategy on behalf of producers. They are tasked with prioritizing and reaching the goals outlined in the strategy.



PROVINCIAL PARTNERS



PILLAR ONE BEEF DEMAND



HIGHLIGHTS OF THE OUTCOMES UNDER THE BEEF DEMAND PILLAR:

A. DOMESTIC AND GLOBAL MARKETING – Evolve the Canadian Beef Centre of Excellence’s ability to take its skills and expertise ‘on the road’ and deliver them to clients across Canada and internationally. Continue to refine and evolve the Canadian beef brand with focus on the technical and emotional attributes that define the brand position.

B. MARKET ACCESS – Around 45% of Canadian beef production is exported annually. Trade agreements are essential to ensure Canada has commercially viable access to markets that is comparable to other major beef exporters to help add value to every animal produced. Marketing efforts will take advantage of the major tariff reductions achieved in recent trade agreements.

C. THE CANADIAN BEEF ADVANTAGE – The Canadian Beef Advantage provides proof points on both functional and emotional attributes communicated in the Canada Beef brand. Continuous improvement in these areas support consumer confidence and work to establish Canadian Beef as the most recognized and loyalty-based beef brand in the world.

D. CONSUMER CONFIDENCE – Consumers have more choice than ever on where they spend their food dollars. In general, when people feel good and are confident about Canadian beef, they will buy our products more often. Consumer confidence is essential to maintain current customers and attract new ones.

E. PUBLIC TRUST – The Canadian beef industry is placing significant emphasis on engaging producers and industry partners to communicate directly with consumers and the general public; building trust and confidence in the Canadian beef industry. The Public and Stakeholder Engagement program is developing resources and providing training for a wide range of users who can then spread a broad and consistent message; fostering transparency and trust.

F. SUSTAINABILITY – Consumer concerns about animal care and the environmental impact of beef will continue to be addressed through scientific studies and communications. Aligning communications on the biodiversity and carbon sequestration benefits of beef production ensure consistent messaging among partner organizations.



“The marketplace is filled with a diverse consumer - identifying market segments and communicating into those segments is key to being heard. To make that happen we must tell our story in meaningful ways to the right audience and create brand ambassadors for Canadian beef.”

MIKE KENNEDY
Marketing Chair, Canada Beef



“Having the entire supply chain and other key stakeholders working together to advance continuous improvement and sustainability in the Canadian beef industry is critical to supporting domestic and international demand for Canadian beef.”

ANNE WASKO
Chair, Canadian Roundtable for Sustainable Beef

GLOBAL DEMAND FOR #CDNBEEF WAS UP **9.3%** BETWEEN 2014 & 2018

CATTLE PRODUCTION BENEFITS PUBLIC HEALTH BY CONVERTING CELLULOSE FROM NON-ARABLE LAND **HIGH QUALITY** **PROTEIN** ADDING ESSENTIAL NUTRIENTS TO THE FOOD SUPPLY

BEEF PRODUCTION USES **33%** OF AGRI-CULTURAL LAND AND **PROVIDES 68%** OF WILDLIFE HABITAT CAPACITY

PILLAR TWO COMPETITIVENESS



HIGHLIGHTS OF THE OUTCOMES UNDER THE COMPETITIVENESS PILLAR:

- A. YOUTH INVOLVEMENT AND SUCCESSION** – Through the continued advancement of programs including the Young Cattlemen’s Council (YCC), Cattlemen’s Young Leaders (CYL) Mentorship Program, and Beef Advocacy Canada efforts are focused on mentorship and enabling interested individuals to be ambassadors speaking in a competent and consistent manner about the Canadian beef industry.
- B. SUPPORTIVE REGULATORY FRAMEWORK** – In order for the Canadian beef industry to be competitive, it is necessary to have a regulatory system that encourages innovation and efficiency, and does not add unnecessary costs.
- C. A RESPONSIVE MARKETPLACE** – A competitive marketplace is supported through industry’s response to producer requests for changes in services and demand for technological solutions to issues. Industry must be prepared for emergencies and maintain infrastructure that facilitates business at the speed of commerce.
- D. ACCESS TO COMPETITIVELY PRICED INPUTS** – It is imperative that Canada’s beef industry has access to competitively priced inputs and that the business environment in Canada supports the development of new innovative inputs that could potentially reduce production costs. This is particularly important as Canada is a relatively small market in terms of population and industry size, which can be a disincentive for companies to pursue commerce in Canada and register new products. Improve access to technologies throughout the supply chain by private and public sectors, that enhance efficiencies and reduce costs.



“Competition for essentials like land and labour is high between Canada’s agricultural commodities, so it’s important that all producers are on equal footing. Business risk management programs must be tailored to ensure a level playing field between sectors.

DAVID HAYWOOD-FARMER
President, Canadian Cattlemen’s Association



“Regulatory creep is a concern for future competitiveness at a time when the United States is reducing regulatory burden.

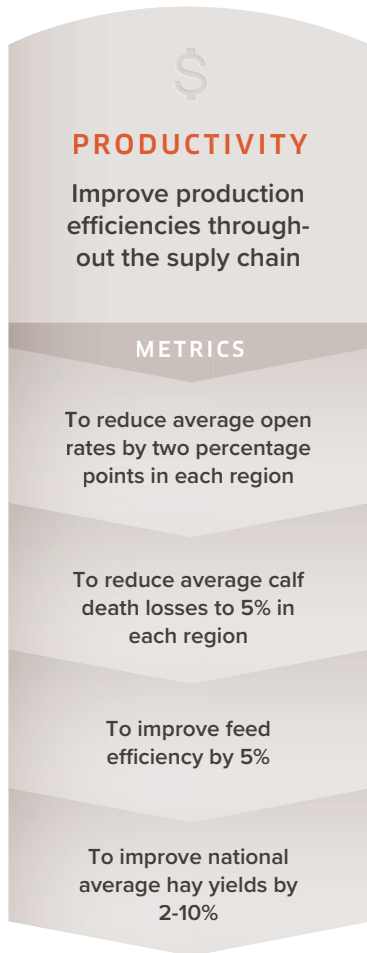
MICHEL DAIGLE
Chairman, National Cattle Feeders’ Association

CATTLE IN 2017 FINISHED 15 DAYS EARLIER ON AVERAGE THAN CATTLE IN 2012
ACCOUNTING FOR **41.5 MILLION** FEWER DAYS IN TOTAL

DOMESTIC BEEF DEMAND HAS BEEN THE STRONGEST SINCE 1990 FROM 2014 TO 2018

INTERNATIONAL DEMAND FOR CANADIAN BEEF HAS BEEN RECORD HIGH SINCE 2015

PILLAR THREE PRODUCTIVITY



HIGHLIGHTS OF THE OUTCOMES UNDER THE PRODUCTIVITY PILLAR:

A. GENETIC SELECTION – New technology, expanding knowledge and understanding, advanced individual animal information systems, and improved management tools offer the opportunity to make more rapid advancement in the area of genetic improvements in the beef industry. Investments to improve cattle performance through genetic selection and encouraging the adoption of new genetics will contribute to both improvements in production efficiency and beef quality.

B. INFORMATION FLOW – Advancements in digital technologies are changing the face of agriculture and agri-food value chains. In this dynamic environment it is difficult to clearly articulate outcomes and objectives for the beef industry. At the same time, it is important to establish some guiding principles on how national organizations will approach this issue.

C. RESEARCH CAPACITY – Canada is a large country with beef production occurring in many different regions. In order for innovation to take place that is suitable for local situations, facilities, and infrastructure research across Canada is needed.

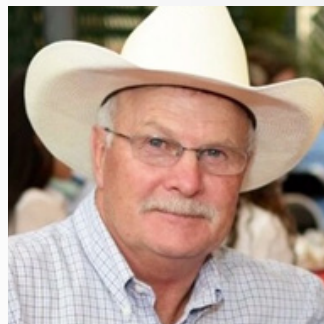
D. RESEARCH AND DEVELOPMENT – Research and development will be imperative to generating the innovative technologies and knowledge to ensure the continued competitiveness and sustainability of Canada’s beef industry. With growing global demand for food and protein and limited agricultural resources, there is a need to continue to increase the productivity per animal and per acre through innovation. Thus, producing more food using less resources and continuing to reduce our environmental footprint.

E. TECHNOLOGY ADOPTION – Knowledge dissemination and technology transfer are crucial to realize the economic, environmental and social benefits of investments in beef research. Online resources will be developed to enable Canadian beef cattle producers to analyze their production and financial records, including comparisons to applicable benchmarks, to make informed production decisions about adopting, and fully exploit innovation.



“We need to increase the number of producers adopting new technology and reduce the lag time from development to adoption.”

RYAN BEIERBACH
Chair, Beef Cattle Research Council



“Genetic improvement will be an important area of focus to position the industry competitively with other global exporters who are making their own advancements in genetic improvement.”

ROGER PETERS
Chair, Canadian Beef Breeds Council

FEED EFFICIENCY HAS **IMPROVED** BY **8%** BETWEEN 2003 - 2017
REDUCING FEED COSTS BY \$28 PER HEAD

A 10% INCREASE IN FORAGE PRODUCTION **EQUALS A 5% DECREASE** IN COW-CALF PRODUCTION COSTS
TAME HAY YIELDS INCREASED 11% FROM 2003 TO 2017

A 1% INCREASE IN REPRODUCTIVE EFFICIENCY RESULTS IN A \$12 PER COW DECREASE IN THE COST OF PRODUCING A CALF

PILLAR FOUR CONNECTIVITY



CONNECTIVITY

Enhance industry synergies and connect positively with government and partner industries

HIGHLIGHTS OF THE OUTCOMES UNDER THE CONNECTIVITY PILLAR:

A. INDUSTRY COMMUNICATION – Communication needs to be transparent and consistent, with a common voice across all industry organizations. Information sharing across industry organizations is encouraged to avoid duplication of efforts and build strategic relationships in order to facilitate responsiveness of the industry to a wide range of demands.

B. ENGAGE INDUSTRY PARTNERS – All stakeholders share a common goal to enhance the productivity, profitability and competitiveness of the various sectors within our industry. This goal can be achieved with the participation of all sectors working together from a solid plan we all align with.

C. ENGAGE GOVERNMENT AND GLOBAL PARTNERS – Successful organizations and industries have made long standing connections with governments, influencers, knowledge leaders, and are highly attuned to public opinion and changing trends. The strategy continues to build on these relationships and market awareness. Being connected and prepared to communicate in a meaningful way when events occur can directly influence how these events impact our industry.



The Canadian beef industry has come together to create concrete goals with measurable, impactful results. By setting ambitious goals, the entire supply chain can grow together and move forward.

KIM O'NEIL
Director of Beef & Veal,
Canadian Meat Council



There is an exceptional amount of industry experience sitting around the table of the Canadian Beef Advisors. On behalf of producers, we ensure that the goals of the strategy are prioritized and met.

CHAD ROSS
Chair, Canadian Beef Cattle
Check-Off Agency

THE CANADIAN BEEF
CATTLE CHECK-OFF DELIVERS

\$14 IN BENEFITS
TO PRODUCERS

FOR EVERY \$1 INVESTED THROUGH RESEARCH,
MARKET DEVELOPMENT AND
PROMOTION INITIATIVES

**CANADA'S BEEF
IMPORT
LEVY**

DELIVERS \$6 OF BENEFIT
FOR EVERY \$1 INVESTED