

THE BEEF INDUSTRY MOOVES FORWARD –  
**MAJOR GOALS ACHIEVED** IN THE LAST 5 YEARS

CANADA'S  
**NATIONAL BEEF STRATEGY**  
STATUS UPDATE  2020-2024

# SUMMARY

Covering activities from June 2022 to June 2024

## EXECUTIVE SUMMARY

**THE 2020-24 NATIONAL BEEF STRATEGY WAS DESIGNED TO TAKE ADVANTAGE OF THE OPPORTUNITIES FACING THE INDUSTRY WHILE SIMULTANEOUSLY ADDRESSING THE CHALLENGES.**

It got off to a rocky start with the Covid pandemic resulting in multiple supply and demand shocks. The first two years of the strategy were dominated by covid restrictions, drought, and feed shortages. This is all outlined in the *January 2020 to June 2022 Status Update*. This final Status Update covers the final two years of the strategy from June 2022 through June 2024. Subsequently, following the government support packages that supported consumption, recovery turned to dealing with rising energy prices and food inflation reducing consumer purchasing power. Inflation has significantly impacted both inputs and food prices; but unevenly in countries around the world depending on government stimulus. Interest rate hikes have started to curb further price rises in the winter of 2023/24 in Canada, but not everywhere. A strong North American economy and a tight labor market have continued to support wages and purchasing power.

Moving forward, North American beef supplies are forecast to decline from the 2022 peak to a bottom sometime around 2027 depending on forage availability. This has already resulted in higher cattle prices and a shift in leverage to a degree back to the primary producer.

The global population growth in the middle class and demand for protein in general, presents an opportunity for Canadian beef production to expand and increase exports while supporting domestic consumption. Beef prices are expected to get higher in the short term with tight North American supplies. This creates a double challenge of protecting domestic market share from pork and poultry and facing international inquiries about future supplies for export.



*This National Strategy Status Update is brought to you by the Canadian Beef Advisors – Beef Cattle Research Council, Canadian Beef Breeds Council, Canada Beef, Canadian Cattle Association (and its provincial members), Canadian Meat Council, Canadian Roundtable for Sustainable Beef, and the National Cattle Feeders' Association.*



**Industry is working together more closely, due to the National Beef Strategy. It has been a way to build trust between sectors and recognize there are profitable times in the cattle cycle for everyone – but they rarely happen simultaneously.**

Jeff Smith, Canadian Beef Check-off Agency

## DEMAND

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The Demand pillar was designed to enhance beef demand and maintain the comprehensive carcass cutout values above \$270/cwt. This was achieved! The retail beef demand index in 2023, was the third strongest year since 1985 despite being lower than the 2022 high. The wholesale beef demand index was the second highest year on record after 2015. The international beef demand index hit a new record high in 2023. In 2023, Canada exported 496,917 tonnes of beef at \$5.02 billion, this was the sixth year in a row of hitting record export values, reflecting the industry's long-term investment in market access advocacy.

The industry adapted to new realities post-covid by developing digital tools and resources, including virtual tours. Several vocational training and support initiatives were implemented to address industry challenges around trade labor skills and availability. Extensive global consumer and market research was conducted to guide strategy and program development. Investment continued in international markets, with new development efforts in markets like South Korea and Vietnam.

In 2021 Canada achieved BSE negligible risk status from the World Organization for Animal Health (OIE) (Now WOAH). As a result of the new status, Singapore removed all related restrictions in 2021. Japan fully expanded access to include processed beef products, and Taiwan removed all remaining BSE restrictions. Canada's exports to Japan and Vietnam grew because of our preferential access through the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP).

The Canadian Beef Advantage (CBA) focuses on enhancing the brand's recognition and value by

highlighting the superior quality, safety, and sustainability of Canadian beef. Efforts included: nationwide and international marketing campaigns emphasizing the unique qualities of Canadian beef, such as its grain-fed flavor, strict safety standards, and sustainable production practices. Development of digital tools, including the Canadian Beef Information Gateway, to provide consumers with detailed information about the origins, quality, and benefits of Canadian beef. Strengthening and promoting certification programs that underline the quality and authenticity of Canadian beef, ensuring consumers and international buyers recognize the brand's reliability. To support and defend Canadian beef's place on the consumers' plate, significant investment was made in the areas of human health and nutrition. Regular outreach to key health and nutrition stakeholders and influencers such as dietitians and physicians were made.

Building trust through transparent practices and clear communication about beef production processes, animal welfare, and safety measures is necessary and valuable. *A 2021 article* stated that *Guardians Of The Grasslands*, has impacted consumer perception of the role of cattle as regenerative contributors...in a shorter period of time than research or advertising ever historically has.". Research by Public and Stakeholder Engagement (PSE) showed that while 23% are looking to reduce their meat consumption, with environment a leading motivation, 28% of Gen Z respondents aim to increase their meat consumption. Overall, the results continued to show strong support for the industry and identified very few negative perceptions about production practices. This research continues to guide the long-term strategy of PSE, identifying must-win audiences, key messages and channels of communication best positioned to build public trust.



**The Canada Beef team strives to fuel desire, ignite demand, and shape the future of Canadian beef consumption at home and around the world. We build marketing programs which propel demand and increase awareness, loyalty, and value, one tactic or initiative at a time. Our commitment is to pioneer pathways to create protein category leadership, setting new benchmarks.**

Russ Mallard, Canada Beef

## DEMAND (CONTINUED)

Promotion of sustainability certification programs that highlight the industry's commitment to environmentally friendly practices has been ongoing. Including educational campaigns to inform consumers about the sustainability efforts within the Canadian beef industry, reinforcing the message that choosing Canadian beef supports sustainable agriculture. Encouraging adoption

of sustainable practices that reduce the environmental footprint of beef production, such as improved grazing management, water conservation, and carbon sequestration initiatives. Investment in research to develop sustainable practices and technologies that enhance efficiency and reduce the environmental impact of beef production.

## OPPORTUNITIES AND CHALLENGES

The industry continues to adapt to evolving consumer preferences and regulatory environments. Efforts are made to stay ahead of market trends and address challenges such as rising input costs and competition from other protein sources. Continued focus on expanding international markets, with particular attention to regions showing high growth potential, such as Asia. Efforts include trade missions, partnerships, and participation in international food fairs to showcase Canadian beef. Additionally, ongoing adaptation to market changes and consumer preferences is necessary to maintain and grow demand. These efforts are aimed at solidifying the position of Canadian beef in both domestic and global markets, ensuring long-term demand and consumer loyalty.

The beef industry also faces rising protectionist international trade measures. Ongoing efforts in international forum, such as the WTO and United Nations bodies, are essential to ensure Canadian voices are heard against protectionist measures. A new Trade agreement with Indonesia is being completed which will expand access for beef and beef products that meet their Halal requirements. We advocated for Canada's participation in the Indo-Pacific Economic Framework and welcomed the establishment of the Indo-Pacific office that will support market access work in this region. Most of the growth in high-quality beef demand is expected in this region.

### CANADA'S BEEF EXPORTS IN 2023

496,917 TONNES

SURPASSING \$5 BILLION



In 2023, Canada exported 496,917 tonnes of beef at \$5.02 billion, surpassing \$5 billion for the first time and was the sixth year in a row of hitting record export values, reflecting the industry's long-term investment in market access advocacy.



Achieving record exports while not having access to China shows the strength of the CPTPP.

Calvin Vaags, Canadian Meat Council

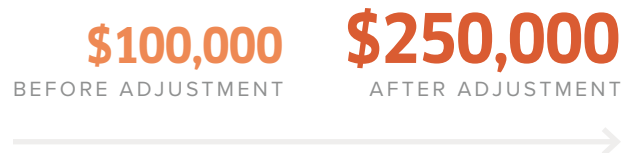
## COMPETITIVENESS

Supply chain resilience was tested over the last five years; and both strengths and weaknesses were identified. Drought and feed shortages highlighted the need for transportation (via rail and truck). Inflation has impacted everything from feed costs and machinery repairs to veterinary and medicine. But labour is top of mind, as wages move higher, in addition to challenges in finding people. The beef sector faces a significant labor gap, with an estimated shortfall of 5,856 jobs in 2022, projected to reach around 14,000 by 2029. Setbacks in labour availability have caused missed opportunities and increased stress for operators.

The Canadian Cattle Young Leaders (CYL) Program and the Canadian Cattle Youth Council are designed to build and support future leaders in the sector. The CYL collaborates with sponsors like MNP, Farm Credit Canada (FCC), and RBC Future Launch to offer resources on succession planning, business planning, and financial literacy. The Youth Council participates in advocacy efforts and international dialogues, enhancing youth engagement and providing opportunities for young leaders. Investing in the next generation is a shared goal, with increased communication among CCA, breed associations, and other industry groups opening more opportunities for youth involvement.

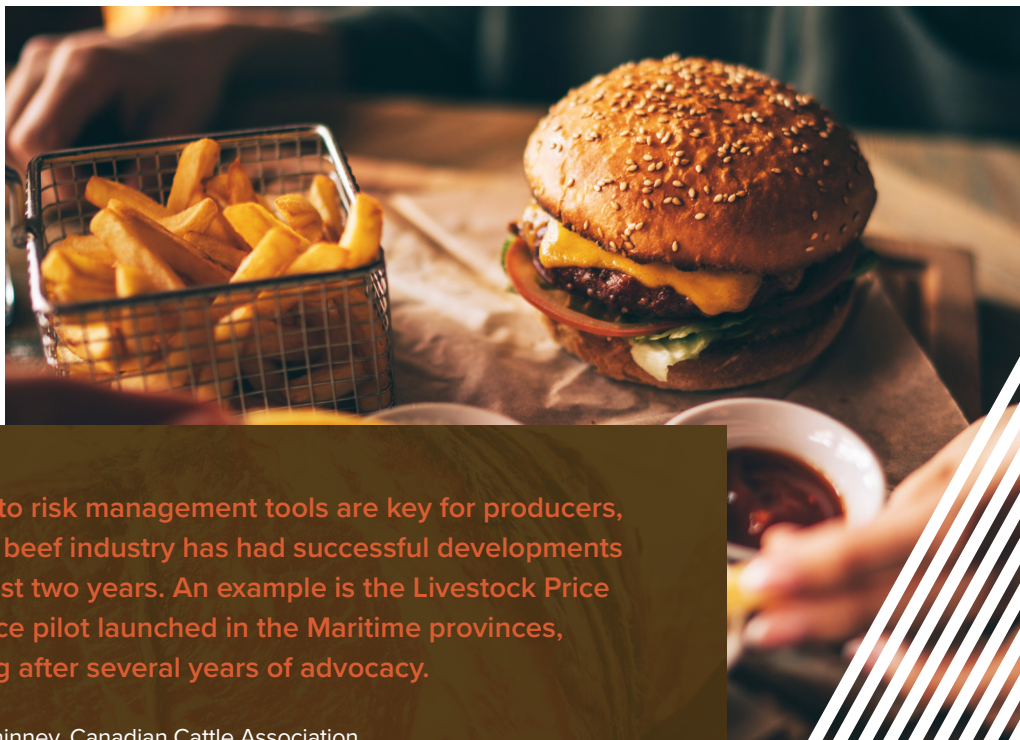
The regulatory framework has seen significant successes and promising developments. We successfully advocated against the front-of-pack labelling for ground beef, ensuring fair representation of our products. Our efforts in securing FMD funding for the Vaccine Bank and Preparedness Plan have also been fruitful, bolstering our biosecurity measures. Additionally, we secured a commitment to exempt producers from the Under Used Housing Tax reporting requirements. The Advance Payments Program saw a positive adjustment, with the limit for the interest-free portion reinstated to \$250,000 from \$100,000. Overall, our regulatory landscape is evolving positively, with ongoing consultations and stakeholder engagements paving the way for future advancements. In June 2024, the Livestock Price Insurance pilot was launched in the Maritime provinces, after several years of advocacy.

### ADVANCE PAYMENTS PROGRAM ADJUSTMENT



Access to risk management tools are key for producers, and the beef industry has had successful developments in the last two years. An example is the Livestock Price Insurance pilot launched in the Maritime provinces, resulting after several years of advocacy.

Nathan Phinney, Canadian Cattle Association



## COMPETITIVENESS (CONTINUED)

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Canada aims to lead in regulatory processes to bring products to market efficiently and maintain industry competitiveness internationally. Regulatory positives have included CFIA moving to approve feed additive

Bovaer (3NOP) using a risk-based process that credited examinations of the product in other jurisdictions along with how it will be used.

### OPPORTUNITIES AND CHALLENGES

Regulatory Processes have created challenges for industry competitiveness. New antimicrobial products, vaccines, and other innovations face high costs and uncertain regulatory approvals, which deter pursuit of Canadian approval. Industry is seeking adoption of outcome-based and science-based regulatory policies to signal production standards to trading partners.

Canada can learn from the U.S. Agricultural Marketing Service to improve service orientation in navigating regulations. The Government of Canada can champion science-based and rules-based trade to counter politically driven protectionism and gain access to high-paying markets. Addressing trade barriers imposed by protectionist countries, especially in the European Union, to find profitable markets for Canadian exports is key to future success. The Canadian industry must not take for granted its ability to compete profitably, needing to manage and influence domestic and international rules and regulations.



**The policy associations continue to provide a united front advocating for science-based regulations. Regulatory positives included CFIA approving Bovaer (3NOP) using a risk-based process, leveling the playing field with other major beef exporters.**

Will Lowe, National Cattle Feeders Association



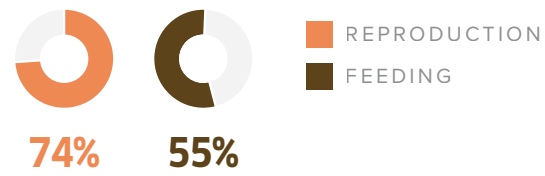
## PRODUCTIVITY

Advancements have been made in genetic selection due to collaborative efforts and communication about its value. Investments from government and national beef breed associations into the Canadian Beef Improvement Network (CBIN) have been crucial. Progress on the four pillars of the CBIN Development Plan includes improved data collection, beta pilot projects, increased resources for analytics, and expanded efforts to support genetic literacy and tool adoption. Utilization of genetic data for effective analytics and decision-making has become a priority, emphasizing data access, ownership, and security. Challenges include capturing opportunities in environmental sustainability through genetic selection and addressing resource access and collaboration. And transforming data and research into useful information for farm-level decision-making to drive change.

The 2021 National Beef Sustainability Assessment (NBSA) showed a 15 per cent reduction in greenhouse gas emissions to produce 1 kg of beef (boneless and consumed). Land used for beef production is estimated to hold 1.9 billion tonnes of soil organic carbon, storing

nearly 40 per cent of the total soil carbon across Canada's agricultural landscape. This is equivalent to annual CO<sub>2</sub> emissions from over two billion cars (~58 cars for every Canadian); and land used for beef production contributes the majority of critical habitat that wildlife needs for both reproduction (74 per cent) and feeding (55 per cent) when all of Canada's crop and pastureland is considered.

### BEEF'S CONTRIBUTION TO CRITICAL HABITAT



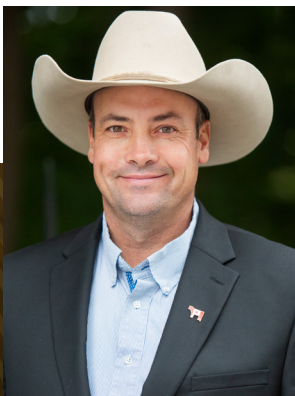
Investments in research and innovation have been pivotal in advancing industry and supporting producers through extension. The BCRC has around 100 projects underway or awaiting co-funding at any given time. Specific projects and initiatives can be found at [www.beefresearch.ca](http://www.beefresearch.ca). The 2018 increase to the Canadian Beef Cattle Checkoff expanded the BCRC's ability to support priority research projects, support research capacity and increase knowledge and technology transfer. In addition, the BCRC now funds four to seven new "proof-of-concept" trials to validate high-risk research ideas on a small scale to determine whether a larger investment is warranted.



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**There have been positive developments recently with investments into packing plants. Producers are looking forward to seeing the pull for cattle that comes from this. Continued research to support producer competitiveness in a higher cost structure is key to future expansion.**

Craig Lehr, Beef Cattle Research Council and Chair of the Beef Advisors



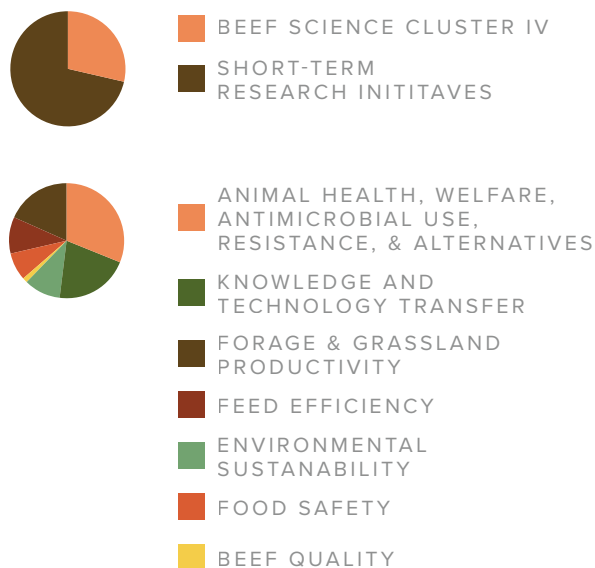
**The second National Beef Sustainability Assessment reported a 15% reduction in emissions intensity between 2014 and 2021. This is excellent progress in a short time.**

Ryan Beierbach, Canadian Roundtable for Sustainable Beef

## PRODUCTIVITY (CONTINUED)

Since the beginning of 2022, 87 new projects have started. Twenty-five of these were funded through Beef Science Cluster IV, which leverages NCO funding with federal research funds to support strategic 5-year research initiatives. The remaining 62 projects are shorter-term research initiatives to cover priorities not addressed under the Cluster. All projects address industry priorities across animal health, welfare antimicrobial use, resistance and alternatives (24 projects), forage and grassland productivity (16 projects), feed efficiency (8 projects), beef quality (1 project), food safety (6 projects) and environmental sustainability (8 projects). Fourteen projects address priorities in Knowledge and Technology Transfer. Collaboration with researchers and extension services ensured the dissemination of best practices.

### PROJECTS & PRIORITY AREAS



**Cattle producers have been the foundation of the beef industry's success to date. Ensuring grassroots engagement and a producer-centric focus will be instrumental to our future success.**

Dave Sibbald, Canadian Beef Breeds Council

Extension resources are available via the newly revitalized beefresearch.ca including videos, decision tools, infographics, articles, podcasts and webinars. BCRC also partners with industry publications and external extension organizations to ensure the broad distribution of its resources. Significant contributions have been made in developing new producer decision making tools and communication materials that support adoption. These efforts have resulted in tangible benefits for the industry, by supporting producers through drought conditions in 2021-23, feed testing and use of alternative feeds that allowed options for producers facing liquidation and subsequent rebuilding efforts. The adoption of recommended technologies and practices has historically reduced input costs and increased outputs.

### OPPORTUNITIES AND CHALLENGES

As the herd rebuilds and beef supplies are the tightest over the next five years. Investments that support producer profitability and competitiveness will be critical to addressing supply concerns from buyers. This requires ongoing investment in research, technology transfer and innovations.

Genetic selection offers significant opportunities for improving environmental sustainability and overall production efficiency. Access to necessary resources and maintaining collaboration and trust within the industry remain significant challenges. Collaborative efforts and investments have increased the availability of genetic resources, supported genetic research, and improved extension efforts for cattle producers. Integrating genetic data and technologies into management decisions is critical for the long-term profitability and competitiveness of Canadian cattle producers.

Opportunities exist in continuing to leverage technological advancements and research findings. There is potential for further gains in feed efficiency, animal health, and forage productivity. Challenges include the need for ongoing investment in research and the dissemination of innovative practices to ensure broad industry adoption.



## CONNECTIVITY

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The pandemic highlighted the importance of robust communication practices, leading to improved coordination and proactive messaging. Collaborative advocacy efforts and strategic engagement in international fora have strengthened the industry's position, while ongoing challenges include ensuring the reach and impact of communication efforts.

Increasing coordination amongst the national and provincial organizations has allowed us to centralize issue response and effectively mobilize spokespeople to handle media requests at local, regional, and national level. This was seen during the pandemic as well as with other issues including the climate challenges, CP Rail strike, and proposed front-of-package labelling on ground beef, UK trade talk shutdowns, and animal health issues such as avian flu. Coordination among national and provincial organizations improved issue response, effectively mobilizing spokespeople for media requests at various levels.

Collaborative efforts with industry partners have been a cornerstone of success. National beef industry

communication meetings and crisis communication tabletop sessions facilitated collaboration. Advocacy campaigns like "Don't Label My Beef" and "Say No to a Bad Deal" have garnered public support and influenced policy decisions. The formation of the Agriculture Carbon Alliance highlights a commitment to sustainability and environmental matters.

Engagement with government and global partners ensures that industry interests are represented in international fora and policy discussions. The Canadian industry's involvement in bodies like the WTO and Codex Alimentarius is crucial to counter protectionist policies and advocate for science-based and rules-based trade.

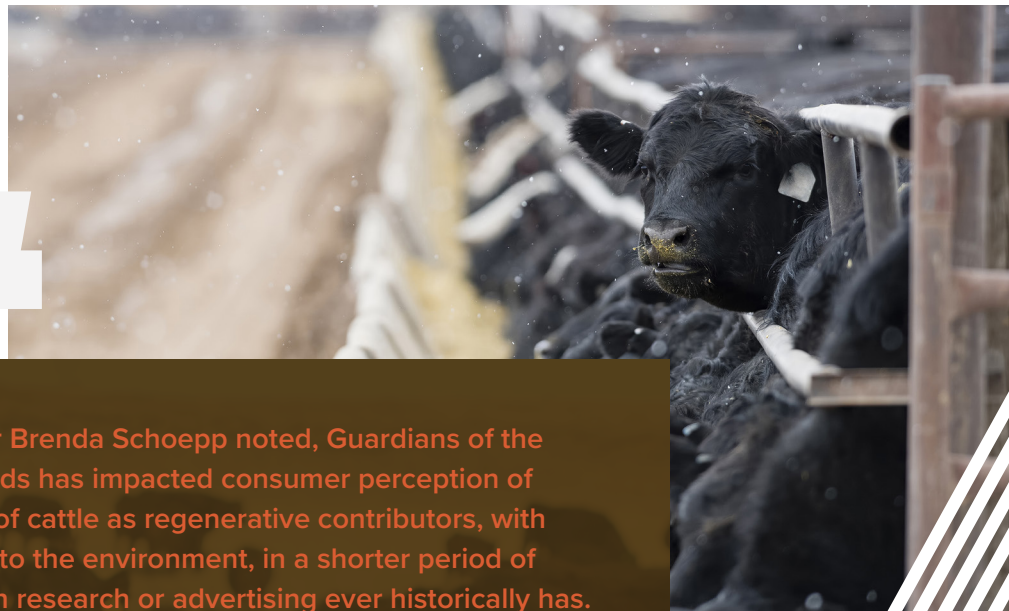
Increased coordination among organizations has centralized issue response, allowing for effective media engagement. This approach has been beneficial during crises like the pandemic, climate challenges, and trade disruptions. Enhanced communication practices have strengthened relationships within the industry and with external partners, ensuring a unified approach to addressing industry challenges.



As writer Brenda Schoepp noted, *Guardians of the Grasslands* has impacted consumer perception of the role of cattle as regenerative contributors, with benefits to the environment, in a shorter period of time than research or advertising ever historically has.

Public and Stakeholder Engagement continues to measure and benchmark consumer perception and seek innovative communications strategies to build public trust in raising beef cattle in Canada."

Bob Lowe, Public and Stakeholder Engagement



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**Some of industries greatest successes are the least noticeable, because they are behind the scenes. It's our role as an industry working together to bring them to light and share with the world.**

Dennis Laycraft, Executive Vice President, Canadian Cattle Association



**"Covid showed how quickly fractured we can become. And the need to be nimble and to shift when dealing with a perishable product. Addressing regulatory burden is key to future success."**

Janice Tranberg, President and CEO, National Cattle Feeders Association

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