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national farmers union
In Union Is Strength

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IMMEDIATE ACTION NEEDED ON ANNIVERSARY OF BSE CRISIS

RIMBEY, Alberta – The United States border closed to exports of live cattle from Canada on May 20, 2003. Over the course of the past year, the mood of Canadian farmers has gone from disappointment to despair to desperation, according to the National Farmers Union (NFU).

Within the past year, chronically-depressed livestock prices, rising costs, pressure from creditors, and dwindling feed supplies have pushed many Canadian cow-calf producers to the wall, says Jan Slomp of Rimbey, Alberta, a dairy producer and Alberta Coordinator of the NFU. He says it is time the federal government took serious action to alleviate the crisis.

“The herd size in Canada is steadily growing,” said Slomp, noting that many farms in western Canada will be hard-pressed to feed the increasing numbers of animals held off the market. The most recent estimate by Statistics Canada in early January put the calf numbers at 4.97 million head. Since then, a new generation of spring calves has added to the total, with most of them being held off the market in anticipation of higher prices down the road.

Feed stocks are rapidly diminishing and the current dry conditions across much of the prairie region are worrisome, noted Slomp. “The pastures are bare,” he said. “People will be desperate if we don’t get rain in the next couple weeks.”

Slomp said if the US border is not open by June 1, the federal government must immediately step up to the plate. “We need to close the border to all beef imports from the US, establish a domestic floor price for finished cattle so farmers can get a decent return from the marketplace, and begin a process of reducing the cow herd to bring production back into line with consumption.” He said culling the overall herd would involve slaughtering as many animals for commercial markets as possible, as well as utilizing food aid programs domestically and abroad.

NFU Livestock Committee Chair Don Mills said a floor price that packers would have to pay when buying cattle would ensure farmers received the same portion of the retail value of their beef that they received before the BSE crisis. “A floor price is urgently required so farmers can once again obtain fair and adequate returns from the market,” he said.

NFU member Dale Fankhanel of Alberta said family farmers who raise beef calves are suffering severe cash flow problems as a result of the ongoing weak market prices. The NFU estimates cow-calf farmers have lost about \$250 per calf marketed, and the increasing glut of animals is leading to even heavier downward pressure on prices.

Slomp said while farmers are suffering, the packing companies have been doing well over the past year, even after adjustments for specified risk materials (SRM) are taken into account. “Two packing companies, Cargill and Tyson Foods, control 75% of the Alberta packing sector,” explained Slomp. “They are happy to see a glut of animals out there because it means they can continue to pay low prices. But meanwhile the farmers are the ones carrying all the costs.”

“The farmers’ interests are not the same as the packers’ interests, and it’s time the federal government put some concrete long-term measures in place so farmers can get a better return from the marketplace,” he said. “The border may not open until next November or December, and farmers cannot wait that long. They need a solution now.”

The NFU is also pressing for diversification of export markets and cultivation of the domestic Canadian market to alleviate the over-dependence on an unreliable US market.

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