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**national farmers union**  
*In Union Is Strength*

**FOR IMMEDIATE RELEASE**

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**PACKERS HOLDING GUN TO THE HEAD OF CATTLEMEN'S GROUP**

**RIMBEY, Alberta** - Cargill and Tyson Foods, which together control 74% of the beef packing capacity in western Canada, are using their economic clout to dictate policy to the Alberta Beef Producers (ABP).

Jan Slomp, coordinator of the National Farmers Union (NFU) in Alberta, says it has become increasingly difficult for the board of directors of ABP to take any decision that goes against the interests of these two American-owned corporate giants. "Individual feedlot owners get penalized the moment they take a position the packers don't agree with," stated Slomp. "The ABP is supposed to be representing cattle producers, but obviously it's hard for the ABP board to function with a gun to the head."

Slomp called on ABP board members who are in those "under the gun" situations to vacate their position on the board to make room for truly independent producers that can openly express themselves in the interests of fellow producers.

Slomp pointed out that any cattle producer or feedlot owner who attempts to institute changes to the way the current cattle marketing system operates does so at the risk of being shut out of the market. He said it is appalling that governments allow Banana Republic-style corporate bullying tactics to erode freedom and democracy.

"The packers own huge numbers of cattle on feed in various custom feedlots around the country," he said. "There is no law in Canada controlling packer ownership. This ready supply of captive feeders then allow the packers to bid low – or even not buy at all – from private custom feedlots. The private operators are so dependent on the packers they are reluctant to challenge them or say anything that might rock the boat."

While the Bovine Spongiform Encephalopathy (BSE) crisis triggered a meltdown in cattle prices over the past year, the overall profit margin on cattle production has been falling for the last decade. "Ten years ago, the accepted net return on the average beef cow in western Canada was \$175 to \$200," said Slomp. "The last two years prior to the BSE crisis, the accepted net return on the average beef cow was in the west was between \$50 and \$125. We've been producing more cattle simply to make up in volume what we've lost in price. That's been good for the packers, who get a steady supply of cheap animals, but bad for the farmers who face increased operating costs and lower returns."

Canfax numbers from the third week of June, 2004 are a clear indication of how much wealth is extracted from Canadian cattle producers by the monopolized US-owned packer powerhouses. Fat cattle worth 72 cents (Canadian) at the farm gate in Canada are processed and exported into the US market, where they are sold in grocery stores

alongside US processed beef that returns the equivalent of \$1.19 (Canadian) to US farmers. The lower prices in Canada are the result of concentration of packer ownership in the Canadian market.

Farmers are also faced with the spectacle of the Alberta Government blindly backing the American-owned packers' actions, even when public opinion goes against them. "Agriculture Minister Shirley McClellan was unapologetic when she admitted that Cargill got \$9 million and Tyson got \$33 million in BSE aid money that was supposed to go to cattle producers," stated Slomp. "And she also echoes the packers' line that there is no need for mandatory testing of cattle over 30 months."

Resolutions raised at the ABP semi-annual meeting calling for an investigation into pricing by the packers floundered because the findings of the Alberta Government's review into pricing practices effectively let the packers off the hook. "It's hard for the ABP to come forward and call for substantial changes if a more powerful organization like the provincial government simply closes the book on the whole affair and announces there was no wrongdoing," stated Slomp.

The Alberta Government also brushed aside calls for BSE testing of all cattle to open markets in Asia. "Agriculture Minister McClellan told delegates that there was no need to test, and that no other change in policy was required," stated Slomp. Instead of listening and pursuing alternatives, she summoned delegates, staff and the board of ABP to actively tell and convince producers that there is no need to test. It is ironic that instead of looking for direction from ABP, she tries to dictate policy to ABP, while this organization is well-funded by a \$3/head checkoff from producers. The packers don't want to test, and the government is toeing the packers' line."

He noted that the NFU has been calling for increased testing for over a year. Earlier this month, the Manitoba Cattle Producers Association endorsed a resolution calling for BSE testing for every animal destined for export.

Slomp said the resolutions and debate raised at the recent ABP meeting show cattle producers are dissatisfied with the current system. "The ABP is a checkoff-funded organization, and it should be working on the basis of what membership is saying, not what the Alberta government tells it to do," he concluded.

- 30 -

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