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**FOR IMMEDIATE RELEASE**

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**TOO MUCH OF A GOOD THING? BEEF PACKERS RECEIVE MORE SUBSIDIES**

**Saskatoon, SK** – Alberta beef packers are receiving yet another round of subsidies from the Alberta and federal governments. On February 11<sup>th</sup> an announcement was made that XL Foods (a Nilsson Bros. company) will receive \$1.6 million in Growing Forward/ALMA funding over the next two years to increase the value-added production capacity of their Lakeside plant located in Brooks. That follows closely on the heels of the \$3 million awarded to Cargill Meat Solutions to “improve operational efficiencies” at its High River Plant.

“In a province that prides itself on “free enterprise” ideals, these actions are further proof that the facts are negotiable as long as the ideology stands,” stated National Farmers Union (NFU) member Iain Aiken.

During the BSE crisis, the Alberta packers received \$44 million in government subsidies based on the numbers of animals they owned. The big beef packers also received another payment last July with the introduction of the SRM Removal program. That program paid \$25 million to plants possessing over thirty-month cattle to compensate for the higher costs of handling SRM materials compared to US plants.

“These actions are particularly galling to cattle producers, especially cow-calf operators, who bore the brunt of losses as a result of the BSE crisis,” stated Aitken. “Many of these ranchers approached the Alberta government back then, with proposals to build producer-owned or controlled packing plants. The intention was to create more competition for live cattle, supplying new markets and enhancing producer returns. Almost all of these requests were turned down. Cattle farmers were told time and again “the Alberta government is not getting into the beef business” and that we had to find free market solutions,” continued Aiken.

With the sale of Tyson’s Lakeside plant in Brooks two years ago, only two packers remain in Alberta: Nilsson Bros. and Cargill. This is a considerable decline from the 17 medium-sized, federally-inspected beef packing plants that were located throughout Alberta in 1978. Indeed, the beef packing sector has undergone considerable market concentration over the past three decades.

“It seems you don’t even need to buy lottery tickets when you are one of the exclusive group of government-backed packers in Alberta, the multi-million dollar cheques from taxpayers just roll in regardless,” concluded Aiken.

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