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

**FOR IMMEDIATE RELEASE**

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**COMPETITION BUREAU CONCLUSIONS ON BEEF PACKERS DISAPPOINTING**

A report released today by the Federal Competition Bureau into the Canadian beef packing industry is “very disappointing,” according to the National Farmers Union (NFU).

NFU Livestock Chair Don Mills said he is disheartened the Federal Competition Bureau concluded the beef marketing system is working because no evidence of “anti-competitive” actions, such as conspiracy to fix prices, by the major packing companies was uncovered.

“The market may be working for the packers, but it sure isn’t working for farmers or consumers,” stated Mills. “In fact, the market is failing farmers. They are going out of business in droves. Meanwhile consumers continue to pay high prices for beef.”

“We have thousands of farmers selling into a market with very few buyers,” he added. “Two US-owned multinationals, Cargill and Tyson, completely dominate the market. In a situation like that, how competitive is the market going to be?” He added the packers’ captive supply of cattle in contracted feedlots provides more than a steady supply of cattle to the slaughter facilities; it also functions as an informal pricing instrument to keep prices low.

The report confirmed that four packers: Better Beef of Guelph; Cargill Foods of High River; Lakeside Packers (Tyson) of Brooks; and XL Foods of Calgary and Moose Jaw; account for 85% of Canadian slaughter capacity. The report also confirmed that Cargill and Tyson together control 60% of total Canadian capacity. (Earlier this month, Cargill announced plans to purchase Better Beef, thereby increasing its overall share of the market. The NFU has indicated it will seek hearings by the Competition Bureau on this proposed merger, and has urged the Competition Bureau to block the sale.)

The BSE crisis and the closure of the US border to live cattle exports have exposed the problem of corporate concentration, and the vulnerability of Canada’s over-dependence on the US market, said Mills. “The report concludes there is no collusion between companies because prices are set on the Chicago Mercantile Exchange. But maybe that’s part of the problem. We’ve maintained all along we need a Made in Canada livestock policy that provides a reasonable return to farmers on their labour and investment.”

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