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national farmers union
In Union Is Strength

FOR IMMEDIATE RELEASE

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NFU MEETS WITH COMPETITION BUREAU ON CARGILL TAKEOVER

The National Farmers Union (NFU) met with investigative teams from the federal Competition Bureau to present evidence against Cargill's impending takeover of Ontario-based packer Better Beef. Cargill announced its intention to purchase the Better Beef plant in Guelph, Ontario in April, 2005, prompting the NFU to call for public hearings.

NFU delegations met with federal Competition Bureau investigators in Calgary on Monday, June 20 and in Saskatoon on Thursday, June 23. The NFU will also meet with the Competition Bureau in Ontario in the near future.

At the meeting in Saskatoon, NFU President Stewart Wells and NFU Vice-President Terry Boehm told Competition Bureau representatives that if the takeover is allowed to proceed, Cargill would capture over 50% of the total Canadian beef processing capacity. They said this scenario would give a single company excessive market control, and spell disaster for smaller independent processors and family farmers.

During the meeting in Calgary, NFU Alberta Coordinator Jan Slomp said farmers in that province have felt the negative effects of market concentration for many years. The BSE crisis and the closure of the US border to live cattle exports has served to highlight the vulnerability of farmers to price manipulation by the three big packers: Cargill, Tyson and XL Foods.

In addition to owning one of the largest packing plants in Alberta, Cargill also owns significant numbers of cattle in large Alberta feedlots, a massive "case-ready" boxed beef distribution facility in Toronto, and other vertically-integrated companies. These interests would allow the company to supply its own facilities and bypass competitors at every stage in the beef production system. Cargill is also one of four dominant packers in the United States.

The NFU representatives noted that even though Better Beef buys a relatively minor volume of cattle in western Canada, it is important to maintain that market option for farmers.

- 30 -

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