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In Union Is Strength

FOR IMMEDIATE RELEASE

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NFU CALLS FOR MINIMUM CATTLE PRICE IN WAKE OF BORDER DECISION

RIMBEY, Alberta – Canadian farmers must receive their cost of production for cattle sold on the domestic market, according to Jan Slomp, NFU Alberta Coordinator.

“For almost two years, Canadian farmers have been told by governments, the Canadian Cattlemen’s Association (CCA) and the Alberta Beef Producers (ABP) that there is no need to change the marketing structure for beef because the border will reopen and everything will return to normal,” stated Slomp. “It’s now clear that substantial changes are needed if the Canadian livestock sector is going to survive in the long run.”

Slomp characterized the March 2 ruling by Montana District Court Judge Richard Cebull as a trade injury, and suggested the Canadian government should pursue a number of options, including a possible countervail duty on imports of American beef.

“A lot of farmers got their hopes up with the announcement the border would open March 7, and prices had risen somewhat based on speculation,” he said. “But now we’re back to square one. The bottom line is the cattle aren’t moving, the bills are not going to be paid and the farmers have no way to keep going.”

Slomp said bailout programs don’t work, so the answer is to immediately institute a floor price and have the marketplace return the cost-of-production to the farmer. He said the Canadian domestic market and other export markets should be further developed. There also needs to be increased support for independent Canadian slaughter and processing plants, including farmer-owned and cooperative facilities.

The two largest meat packers in Canada, Cargill and Tyson, are US-owned corporations which are benefiting from a captive supply of cheap Canadian cattle while retaining access to the lucrative US retail market for beef exports. Both companies are ramping up production through expansion of their existing plants in southern Alberta. Their expanded facilities are scheduled to come on stream in the fall, so they are poised to take advantage of an anticipated drop in cattle prices at that time.

Slomp concluded that millions of dollars have been wasted by governments, the CCA and ABP negotiating the border issue with the US, and it is time to seriously embark on a “made in Canada” livestock policy that returns cost of production to farmers.

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