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national farmers union
In Union Is Strength

MEDIA UPDATE

NOVEMBER 26, 2008

Following adjournment of our Convention, the NFU would like to update the media regarding contact information for NFU officials. The officials listed on this release can now be reached at:

Fred Tait, NFU Manitoba Board Member	(204) 252-2773
Neil Peacock, NFU Alberta Board Member	(780) 568-7011 or (780) 505-2962
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FOR IMMEDIATE RELEASE

NOVEMBER 19, 2008

NFU RELEASES MAJOR REPORT ON CANADIAN CATTLE SECTOR

SASKATOON, Sask.—At a news conference today, the NFU released a major report—the culmination of a year-long inquiry into the cattle sector and the price and profitability crisis gripping family-farm cow-calf producers and small- and medium-sized feeders.

The NFU report looks at prices for slaughter cattle, feeder cattle, and calves over the past several decades. This type of a long-term analysis has rarely (if ever) been done in Canada. The report finds that, adjusted for inflation, Canadian farmers and independent feeders are receiving *half* as much as farmers and feeders received in the 1940s, '50, '60s, '70s, and '80s.

The report states: “Cow-calf producers and independent feeders are suffering today because they have a problem that is *real*—packers are paying feedlot operators half of what packers paid those feeders’ parents and grandparents. In turn, cattle feeders are paying cow-calf producers half of what their parents and grandparents received. These half-price cattle are bankrupting family farmers across Canada and creating the most severe crisis in the sector since the Great Depression.”

The NFU report pinpoints the drop in Canadian cattle prices to the period around 1989. Taking Alberta as an example, the report points out: “Not once in the 47 years between 1942 and 1989 did the price of Alberta slaughter steers fall below \$120 per hundred-weight, live-weight, adjusted for inflation.” Since 2003, prices have not once climbed as high as \$120. Fed cattle prices in Alberta over the past year (Sept. 2007 to Aug. 2008) averaged \$87 per hundred-weight. However, the inflation-adjusted average price for the nearly 50-year period between 1942 and 1989 was \$167 per hundred-weight—almost double the recent average.

The NFU report looks at structural changes in the beef sector in Canada in 1989 and in subsequent years—the transfer of ownership of the Canadian packing sector, the dramatic reduction in the number of packing plants, the continental integration of Canadian and US markets, and the increase in power of the dominant food retailers.

The NFU report pays particular attention to the issue of captive supply, a tactic whereby packers own or control cattle in feedlots and use those cattle to push down prices to independent sellers. The NFU hopes that its report will trigger a discussion in Canada about the negative effects of captive supply, a discussion that has been ongoing in the US, but that is largely ignored by cattle organizations in this country.

The NFU’s report brings an analysis that is fresh, unique, carefully documented, and intended to pave the way for fundamental change and effective solutions.

The NFU’s report is available online at www.nfu.ca . The Executive Summary is 32-pages. The NFU recommends that interested media read this version first. For those who want more detail and background, a 128-page full report is also available on the same website. The NFU will also courier hard copies of the Executive summary to interested reporters.