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national farmers union

In Union Is Strength

FOR IMMEDIATE RELEASE

JANUARY 20, 2009

**PACKERS & RETAILERS ARE PAYING CATTLE
FARMERS HALF OF LONG-TERM NORMAL PRICES:
NFU TO HOLD ALBERTA MEETINGS TO FIND SOLUTIONS TO
CATTLE CRISIS**

The National Farmers Union will hold four public meetings with farmers in Alberta and several other meetings with organizations and policy-makers during the last week of January. The NFU is working to help farmers and political leaders understand that Alberta cattle farmers are receiving less and less because packers and retailers are taking more and more. Please see Backgrounder for more information.

The meetings follow the recent release of the NFU's report: **The Farm Crisis and the Cattle Sector: Toward a New Analysis and New Solutions**. That report was written following extensive consultations with family farm cattle producers in Alberta and across Canada.

"Cattle farmers need to know that the prices they are receiving today are half of what retailers and packers paid back to farmers between the end of the Second World War and 1990. They need to know how retailers and packers are driving down farmers' prices. And they need to know what farmers can do about these problems," said Darrin Qualman, NFU Director of Research and author of the report.

The NFU meetings will look at issues such as captive supply (packers owning or controlling cattle, with the clear potential to suppress prices), increasing corporate concentration (an especially critical issue in light of the proposed Tyson/XL sale), the effects of trade policies, and the growing power of food retailers to take ever larger shares of citizens' food dollars, leaving farmers with less.

Neil Peacock, a cattle producer from Sexsmith, Alberta and an elected member of the NFU Board of Directors, said "the report delves into the real issues facing family farm cattle operations in Canada, not the distractionary issues touted by the multinationals and the federal and provincial governments. The report also includes real solutions to the income crisis that, if adopted, would return wealth to the family farms that raise livestock."

"It is ironic that many of the recommendations in the NFU report mirror the sentiments put forward in many of the Alberta Beef Producers (ABP) regional meetings as resolutions that were defeated when they got to the ABP annual meeting in Calgary," Peacock added.

The public and media are urged to attend these meetings. Public meetings in Alberta and the Peace River region of British Columbia will take place:

Monday, January 26- 7:00 PM - **Innisfail**, Alta. - Legion Hall - 5108 49th Ave.

Tuesday, January 27 - 2:00 PM - **Waskatenau**, Alta. - Seniors Center - 5156 50th St.

Thursday, January 29 - 7:00 PM - **Sexsmith**, Alta. - Civic Centre - 9917 99th Ave.

Friday, January 30 - 7:00 PM - **Farmington**, B.C. - Farmington Hall - Highway 97

We encourage farmers, the media, and policy-makers to read the NFU's November 19 report, *The Farm Crisis and the Cattle Sector*. The Executive Summary (32 pages) and the full report (128 pages) are both available to download from www.nfu.ca . Or, you can have a printed copy of the Executive Summary sent to you by calling (306) 652-9465 or emailing nfu@nfu.ca .

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For more information, please contact:

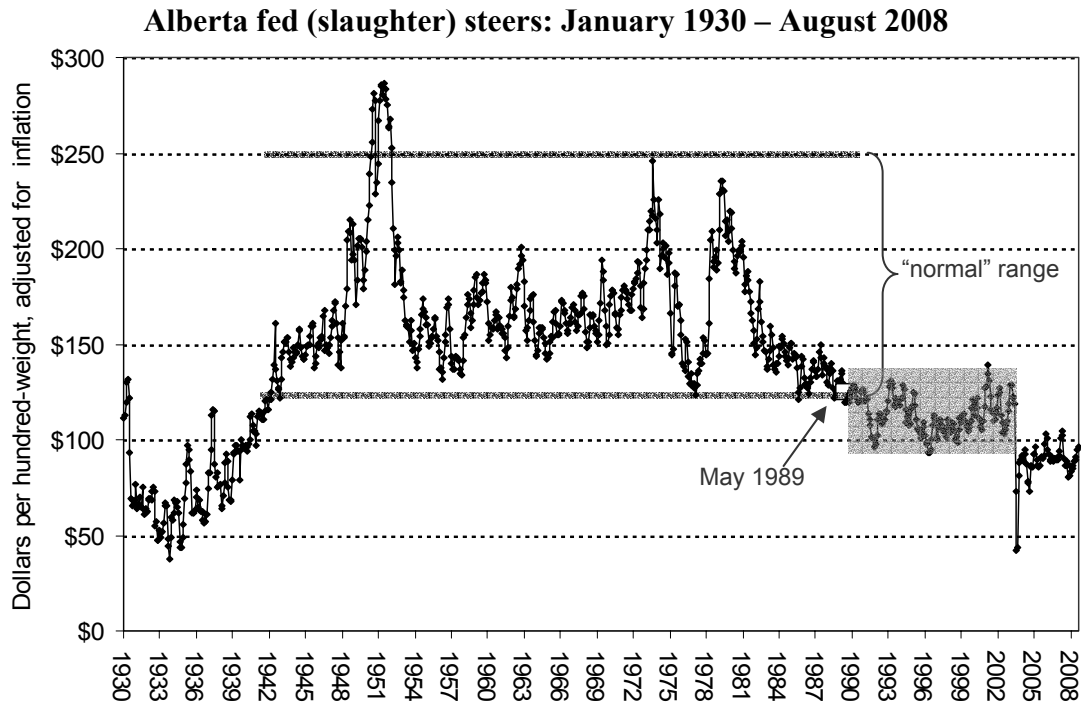
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Backgrounder to the NFU's January 20, 2009 news release

This graph shows Alberta slaughter steer prices from 1930 to mid-2008. Prices are based on live-weight. The graph lists monthly prices, in dollars per hundred-weight, adjusted for inflation. (\$100 per hundred-weight = \$100 per hundred pounds = \$1 per pound.)



The graph reveals several distinct periods. At the far left are the low prices of the Great Depression. Then in the early 1940s, slaughter-steer prices returned to a more normal range. The graph's two horizontal grey lines mark the top and bottom of a horizontal channel that defines the price range from 1942 to 1989. During that period, prices rose and fell, *but not once in the 47 years between 1942 and 1989 did the price of Alberta slaughter steers fall below \$120 per hundred-weight. Never did prices breach the line that marked the bottom of the post-Depression normal.*

Then in 1989, Alberta fed steer prices *did* drop below that \$120 per hundred-weight line. After '89, cattle prices continued to oscillate, but they did so within a *much* lower range of values. The grey box highlights the prices for the 14-year period from 1989 to 2003.

In May 2003, a single case of BSE triggered a series of events that caused already-low prices to fall still further. At the far right, we see the prices since 2003—since the first discovery of BSE. Prices during this recent period echo those of the Great Depression.

In 2008, prices for Alberta slaughter steers averaged \$91 per hundred-weight. But 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. Packers are paying farmers about half of what packers paid in the 1940s, '50s, '60s, '70s, and '80s. Feeder cattle and calf prices and cull cow prices are similarly about half of their pre-1989 averages. These half-price cattle are bankrupting farmers.