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NOVEMBER 5, 2009

CANADA'S COMPETITION BUREAU GOT IT DEAD WRONG

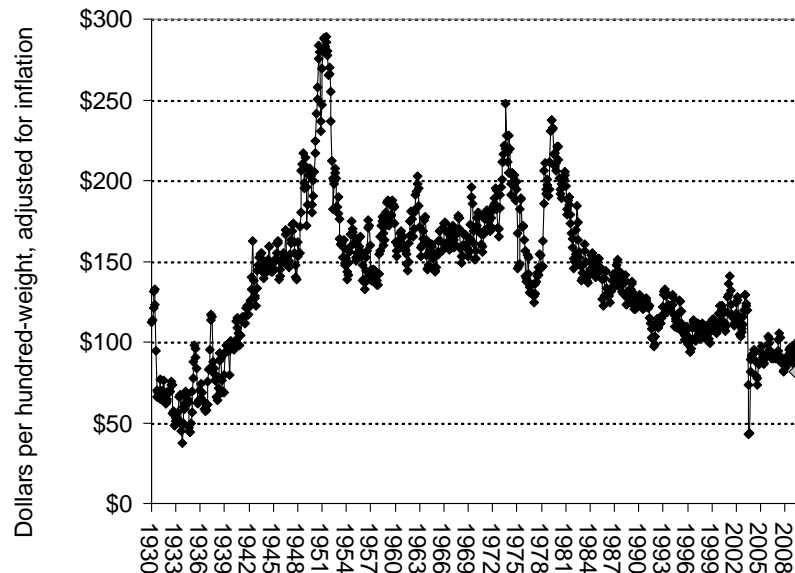
ROSSENDALE, Man—Cattle prices have fallen ever since the Competition Bureau approved the Nilsson Brothers takeover of Tyson's XL packing plant. "Outside of the BSE-crisis period of 2003-2004, cattle prices today are the lowest they've been since the Great Depression," said Manitoba cattle farmer and NFU Coordinator Fred Tait.

The graph below is produced from Canadian Cattlemen's Association and Government of Canada data. It shows that cattle prices today are at their lowest level since the 1930s, with the exception of the BSE-crisis period.

Packers are paying around 80 cents per pound for finished cattle. Worse, in many cases, packers are paying less than 30 cents per pound for cull cows. "Those 30-cent cows go into \$3.25-per-pound hamburger. Where is that nearly \$3.00 per pound going?" asked Alberta cattle farmer and NFU Board member Neil Peacock.

Peacock and Tait cited increased corporation concentration as a significant factor behind near-record-low cattle prices. The Competition Bureau approved the Cargill takeover of Better Beef, moving Canada from four big packers down to three. Then, the Bureau approved the Nilsson Brothers purchase of the Tyson plant, taking us from three big packers down to just two, and giving one packer nearly half of Canadian capacity. "Each time, the NFU told the Bureau that these mergers would lead to lower prices for farmers. Now we're seeing exactly that. The industry-friendly Competition Bureau was dead wrong when it approved these mergers and takeovers. And it needs to admit that to farmers so that government can begin a process of restoring competition and prices," said Peacock.

**Alberta fed steer prices
January 1930-October 2009**



— 30 —

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