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The Right Honourable Stephen Harper
Leader, Conservative Party of Canada
1204-130 Albert St.
Ottawa, Ontario
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Dear Mr. Harper,

I am writing on behalf of the National Cattle Feeders' Association (NCFA). NCFA is the one organization in Canada through which cattle feeders can speak with a unified voice.

As you may know, the Canadian beef industry generates \$6.8 billion worth of income annually. This vibrant industry is a result of innovative and sophisticated production technologies that result in some of the most affordable, nutritious, and safest beef in the world.

There are a number of urgent challenges facing the entire beef value chain including the severe economic impact resulting from COOL, a profound labour shortage stunting the growth of the sector, regulatory barriers impacting the competitiveness of Canadian producers, and multiple trade agreements influencing the sustainability of the Canadian beef industry.

Country of Origin Labelling (COOL)

The federal government must stand up for Canadian cattle and hog producers by delivering a clear message to the United States that an immediate repeal of COOL is the only way for them to avoid retaliatory tariffs against U.S. imports into Canada.

Since 2008, Country of Origin Labelling (COOL) laws in the U.S. have severely disrupted the integrated North American beef industry, resulting in considerable economic damage to Canadian cattle producers. COOL is costing Canada's cattle industry over \$3 billion annually.

In May 2015, the WTO issued its final ruling on COOL, deciding in favour of Canada and Mexico. To force a full repeal of COOL, the Canadian and Mexican governments have sought authorization from the WTO to retaliate against U.S. exports, valued at \$3.7 billion annually.

The industry's future sustainability and competitiveness depends on a resolution of the COOL issue. Canada is at a competitive disadvantage every day this measure remains in place.

Industry cannot accept any COOL measure — voluntary or mandatory — that results in the segregation of livestock in U.S. plants, or that helps maintain segregation.

If elected, will you support trade retaliation against the U.S. for its illegal COOL measure? What other actions are you prepared to take to bring immediate resolution to this issue?

Labour Shortage

A chronic and severe labour shortage is one of the most significant challenges currently facing agriculture, impacting competitiveness, growth, and export opportunities.

The federal government must address the acute labour shortage within the agriculture and agri-food industry, and execute short and medium term solutions to ensure future sustainability and growth of the industry.

Livestock production requires animal care 24 hours a day, 7 days a week, and 365 days a year. Labour shortages are not an option as they directly impact on the health and welfare of animals.

Hiring Canadian workers has always been, and always will be, the first priority. At the same time, however, it is proving increasingly difficult to attract a sufficient number of domestic workers.

Recent changes to the Temporary Foreign Worker Program (TFWP) have made the labour challenges in the sector even more acute — especially for agri-food processors.

Canada's entire agriculture value chain came together and developed the Canadian Agriculture and Agri-Food Workforce Action Plan (<http://www.cahrc-ccrha.ca/workforce-action-plan>) that recommends:

- a dedicated agriculture and agri-food workforce program for agriculture and primary processing so they can hire workers from abroad as a backstop measure;
- an improved pathway to permanent residency for successful agriculture and agri-food workers;
- medium term solutions that address increasing the domestic labour supply and improving the knowledge and skills of workers.

What are your plans to address the chronic labour shortage in agriculture, both in the short and long-term? Would you actively support the Canadian Agriculture and Agri-Food Workforce Action Plan?

Regulatory Barriers

The federal government must create a regulatory environment that provides opportunities for a competitive and sustainable Canadian beef industry and does not serve as an impediment to growth.

Many regulations do not reflect the realities of the day-to-day operations within the industry, nor do they keep pace with ongoing innovations within the sector.

In addition, these regulations are often inconsistently enforced; creating a difficult business environment that impacts Canada's ability to compete on a level playing field with its trading partners.

The NCFA supports the efforts of the Canada-U.S. Regulatory Cooperation Council (RCC). RCC initiatives of particular importance to the NCFA include a harmonized Canada-U.S. regulatory system for veterinary drug approvals, agreement on protocols on zoning for foreign animal disease, and electronic certification to reduce the cost and time burden on exporters while speeding the pace of commerce between Canada and the U.S.

Proposed amendments to Canadian animal transportation requirements are another example of regulations that do not reflect the time realities of transporting live animals from Western Canada to Eastern Canada, and may create risks to animal health and welfare while significantly increasing transportation costs.

What are your ideas for creating a regulatory environment that provides opportunities and not impediments to a competitive agriculture sector?

Trade Opportunities

The Canadian government must assertively pursue and support export opportunities for the livestock sector. Current priorities include ensuring Canada's inclusion within the Trans-Pacific Partnership (TPP) and implementing the Canada-EU Comprehensive Trade Agreement (CETA).

Canada's agriculture and agri-food industry is one of the most trade dependent agricultural sectors in the world. Canada is the world's fifth largest agriculture and agri-food exporter. Canada ships abroad half of its agriculture and agri-food output annually.

Canada relies heavily on the United States as its main export market. With global exports so important to the Canadian agriculture and agri-food industry, an over-dependence on any one single economy is a potential long-term risk. To limit trade exposure to the U.S. economy and ensure the long-term sustainability of agriculture and agri-food, Canada would benefit from expanding beyond our existing trade relationships.

a) Trans-Pacific Partnership:

If Canada fails to join in a multi-lateral TPP agreement, it will have a devastating impact on agriculture and agri-food exports as other countries obtain preferential access and Canada's market share in countries like Japan is eroded. All Canadian farmers deserve the opportunity to compete on an equal footing in the rapidly growing Pacific Rim region.

b) CETA:

While the successful negotiation of CETA was a major milestone both for government and the agriculture sector, the beef industry is concerned that the increased access to the EU market, and the corresponding benefits, are not going to be realized. The administration of the quota system via an import license and the protracted process for EU recognition and acceptance of essential elements of the Canadian federal meat inspection system are concerning.

The Canadian government must be more assertive in ensuring Canadian technical requirements and regulatory supports are recognized as providing an equivalent level of safety and security to those in the EU.

What actions will you and your party take to secure the best deal possible for Canada at the TPP table? What will you and your party do to overcome the impediments to EU market access and harness the opportunities?

NCFA is looking to your party for leadership on these essential areas of concern. We look forward to hearing how your party will address the concerns noted above. **We will share your written response with cattle ranchers across Canada.**

Sincerely,

Larry Schweitzer
Chair