

LIVESTOCK MARKETS ASSOCIATION OF CANADA

2010 ANNUAL MEETING AND CONVENTION

HELD IN WINNIPEG MANITOBA

REPORT SUBMITTED - BY MIKE FLEURY

The 2010 LMAC annual meeting and convention was held in Winnipeg Manitoba May 27th to May 30th 2010. The livestock marketing industry has a lot of major important issues facing our members today, and this year's convention certainly addressed these major concerns. I would like to congratulate Rick Wright , Scott Anderson from Winnipeg Livestock Sales and their volunteer committee for organizing this most successful event. Our industry like most industries are currently living in a world of change and it is up to us as independent businessmen to analyze and research, what is achievable what is beneficial to our industry and what is affordable. As technology advances it seems like the cattle industry demands more and more information transfer. The industry continues to try and create as much added value to the cattle as possible, example- (Mandatory Livestock Movement, age verification, herd health protocol etc.), and at the end of the day secure more profit. Governments and industry continue to develop programs and systems like traceability to try and allow the industry to function more competitively in the global market place. By developing these programs, new rules and regulations are required, which leads into enforcement, compliance and auditing. As you can see our industry is in for some challenging changes, and we need to be on top of what's going on and directly involved in the negotiating and decision, policy making. Enough of some of my views more on what happened at the convention.

This year convention secured **Mr. Brian Nilsson** of Nilsson Bros. Inc. as the Keynote speaker. Brian brought a very wide perspective on the Livestock Industry and provided us with some of his thoughts regarding livestock traceability, Age verification, CCA's Beef InfoXchange System (BIXS), and his prediction of future cattle prices. . Brian did not believe traceability was a food safety concern or a consumer issue. He also indicated that traceability cannot run at a level that the government wants. Tracing cattle at the auction market level for tracing disease cannot slow down the current speed of commerce and needs to be funded by government and let the added value part of traceability become market driven. Brian also indicated that Canada is currently way ahead of most countries in the world as it relates to traceability. Brian informed the members that Canada needs to be competitive globally and can't get bogged down with extra regulations, risking an unfair playing field with other countries. Brian said that he wasn't against the principle of traceability, although the cost of the system and ongoing operating costs are a major hurdle and yet to be overcome. He also mentioned that traceability cannot interfere with commerce and is currently not tracking at that speed. Brian was very strong on looking after the demands of the Canadian meat consumer.

Brian spoke on **AGE VERIFICATION** and felt there was some market opportunities for age verified cattle and based on supply and demand, the economic drive is very small. Only Japan wants age verification and Brian predicts that the U.S will get into Japan within 30 months with dentition and without age verification. Brian believes that age verification is not market driven but more of a CFIA initiative.

Brian also touched on the CCA's **BEEF InfoXchange System (BIXS)**. Many of our members are concerned that this program can become a single desk selling system in Canada. Brian didn't concern himself with BIXS becoming a marketing venture due to the fact that the system doesn't allow any price discovery component. The program mandate is to transfer and exchange information and trace performance. Brian was high on creating value for the producer and the auction system needs to continually promote value added as well as price discovery.

Direct Electronic Selling was also touched on by Brian; 15% of the cattle are marketed by direct electronic marketing annually, this accounts for the cattle that wouldn't normally be marketed through an auction ring. These #'s are consistent in the US and over the years do not seem to change.

Brian talked very optimistically about the **Future Cattle Prices**. Brian made some predictions on cattle prices within the next five years. We could see fat cattle from \$ 1.20 to \$1.30/lb live weight, and 600 lb steer calves at \$2.00/lb. These prices will be driven upward due to the less number of cows worldwide.

The LMAC would like to thank Brian Nilsson for speaking at the convention. Our membership certainly enjoyed his presentation.

Donna Henuset, the project manager of the Auction Market Applied Research Project gave a presentation on the final results of phase 1 of the project that took place at LMAC member markets this past fall. The Federal Government has committed to Mandatory Livestock Movement reporting by the end of 2011. This could mean that all livestock coming to an auction market or buying station will have to be scanned and reported to the Government. The Project was funded by the Federal Government's Growing Forward Program. With the help of CCIA and LMAC, tests were conducted at auction markets using the equipment commercially available in Canada, to see what read rates could be achieved. The project also looked at the impact on the speed of commerce, market neutrality and employee safety. Phase two of the project is to commence this fall. The entire results of phase 1 of the Auction Market Applied Research Project are posted on the Livestock Marketers of Saskatchewan web-site. (livestockmarketers.ca) Please take the time to review.

Traceability at the Auction Market Level It was the general consensus from the membership that the traceability file at the Auction Market level is moving too fast and it needs to be slowed down. The membership is convinced that the deadline for full traceability to be implemented by the end of 2011 is unachievable. Industry needs to review the entire research project before any evaluations or assumptions can be made. The Federal Government has offered Auction Markets across Canada 80% of the funding to equip auction markets with infrastructure change, equipment and software for traceability to a maximum of \$100,000 per market. There are no provisions for ongoing costs, such as repairs, upgrades and maintenance contracts. LMAC has been firm since 2003 that the government should be funding start-up costs at 90%, along with ongoing costs to cover maintenance, upgrades, staff costs and repairs. The LMAC membership were not in agreement in accepting or negotiating any funding with the federal government until the research results are final and our industry has time to evaluate the feasibility to scan cattle in an auction market environment.

Mr. Luciano Burtini from Measurement Canada gave a presentation on their concerns and solutions to the proposed problem with the existing scales at Auction Markets. This was a major concern for our membership. Measurement Canada, propose the electronic reader boards in the sale rings, show each draft of cattle to balance to 0, after every transaction. Measurement Canada also wants to display the weight fluctuating before the draft has had its actual weight pressed for the public to read. The LMAC board, are setting up a task force to meet with Measurement Canada to discuss their concerns in detail and come up with a possible solution or alternatives to their requests. Please review the proposed changes Measurement Canada are proposing on our web-site, (livestockmarketers.ca).

2010 Canadian Livestock Auctioneers Competition. Valley Auction's Rodney Burnett defeated twenty eight other auctioneers from across Canada to claim the crown as the 2010 Canadian Livestock Auctioneering Champion. Brennin Jack of HLS Regina was awarded second. Tim Dowler from Winnipeg was third, fourth was Travis Rogers and Fifth was Rob Bergevin. The Rookie Auctioneer of the year was Scott Campbell, from Killarney Auction Mart. The most congenial Auctioneer went to Rob Bergevin from Stavely Auction Market. The 2010 competition was considered a huge success with a very talented field of competitors, and a large crowd of buyers and spectators in attendance.

Election of Officers Jim Abel from Stettler Alberta now becomes the new President of the LMAC. Mike Fleury becomes Past President. Bob Perlich is the appointed member from Alberta. Jeff Jameson from Saskatoon is the appointed representative from Saskatchewan. Scott Anderson from Winnipeg is the representative from Manitoba. Rick Wright from Manitoba is a director at large. Steve Spratt from Ottawa is appointed by Ontario. Larry Witzel from Kitchener Ont. is a director at large. Jim Wideman from Kitchener Ont. is the Executive Secretary of the LMAC. The Board of Directors received membership approval to appoint two additional directors at large from anywhere throughout the country, to act on the LMAC board.

The **2011 LMAC Convention** will be hosted in Ontario, and I encourage all of our members to try and attend.