



Cattle Industry Development Council

#4-10145 Dallas Drive, Kamloops, BC V2C 6T4 Phone: (250) 573-3611 Fax: (250) 573-5155

www.cattlefund.net hallie@cattlemen.bc.ca

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Annual Report 2017-18

Report by Chair, Linda Allison

I am pleased to present this report on behalf of the producer members of the Cattle Industry Development Council.

As we move to the increased check-off in British Columbia and with new members on our Council, we are looking forward to working on our strategy for the next five years.

Increasing Check-off

The cattle industry in BC has supported the move to increase the National and Provincial check-off. With the Order in Council signed in 2017, CIDC was ready to implement the \$5 per head check-off on September 1 last year. With the unprecedented wildfire season and the economic impact to our ranchers, Council felt it made sense to delay the implementation of the increase until July 1st, 2018. \$2.50 is the non-refundable, National check-off which supports national efforts of promotion and research, the other \$2.50 is the refundable Provincial portion which goes toward development of the BC industry through support of Provincial Association projects. CIDC was encouraged by the overwhelming support of producers to continue to support the check-off. The first increase in 20 years for the National check-off was long overdue. With the development of the 5-year National Beef Strategy, it is essential to increase the check-off to meet the strategy goals.

CIDC Income

Collections for the 2017/2018 fiscal year are about five per cent ahead of last year: CIDC received check-off on 248,158 head of cattle for total check-off of \$744,474. Does this mean an increase of our Provincial herd? We will be looking at this data as the producer Association projects are funded through the Provincial check-off dollars, and we need to provide them with a reasonable estimates of funds that we will have available for projects. Producer refunds remain low at less than one percent (1,611 head of cattle). Dealer refunds on 14,418 head were 20 per cent more than last year. In this past year, \$103,011 was received from BC cattle sold in Alberta and Saskatchewan (inter-Provincial check-off). This amount actually reflects two years' remittance as there was a change at the National Agency from annual remittance (in April for previous year) to monthly remittance of collections. Council appreciates the efforts of the many agents, dealers, sales yards and slaughterhouses, and Ownership Identification Inc., who all assist in the collection of check-off at time of sale or slaughter.

In BC, we are fortunate to have the BCID Fund, to support individual projects that benefit the BC cattle industry. We are also able to trigger (release) dollars from the Fund that match the check-off income received, which enabled the CIDC to provide greater financial support to the Associations' applications for project funding. Within the 2017-18 funding window, we were able to support the four Provincial Cattle Associations' applications with \$594,000. In addition, \$118,470 from the check-off funds was provided to assist with BC's assessment for participation in National organizations (Canadian Cattlemen's Association and National Cattle Feeders' Association).

National Check-Off

The National check-off was \$1 when originally established, and has always been non-refundable. On behalf of BC producers, \$248,158 was remitted to the National Agency to support the National and International efforts of promotion, marketing development and research. Linda Allison (current CIDC Chair) serves as BC's representative to the National Check-off Agency and is in the final year of a two-year term as Chair.

Each Province determines how their National check-off will be shared between the services providers. This allocation can be changed each year with the change taking effect the following year. This allows the service providers to develop their yearly budgets based on estimated total cattle numbers each year. With the increase in check-off coming into play in July and based on the National Strategy, we are now able to allocate our money between marketing and promotion (Canada Beef), research (BCRC) and issues management (CCA). Council participates with other provinces during provincial funders meetings. As well, we have voting and non-voting delegates attending the National Agency AGM each year. The National Agency now holds its AGM as part of the Canadian Beef Industry Conference that is held in August each year. This year the Conference will be in London, Ontario, returning to Calgary in 2019. BC will have an opportunity to apply to host the Conference in future years.

Beef Cattle Industry Development Fund Trust

Since 1995, the Beef Cattle Industry Development Fund has contributed over \$12.5 million to projects that benefit the beef cattle industry. The Trust has an expiry date of 2075, and with thoughtful planning, the income from the Trust should sustain our industry for many years to come. Having this monetary security allows the Council to make longer term decisions.

The latest five-year review of the BCID Fund was completed in December 2017. The Fund was closed for several of those five years due to low return on our investment. The latest report was favourable and the Fund was able to leverage \$2.54 from industry for every \$1 from the Trust earnings. That report has been shared with your Provincial Associations and can be seen at www.cattlefund.net.

Compared to the returns in the early days of the Fund being established, our investment returns are still very low in the BCID Trust. This continues to be a concern that the CIDC is watching closely. We are regularly meeting with our investment firm and ensuring that we are receiving as much interest as possible. CIDC is confident that their goal of awarding \$250,000 per year for general projects can be realised during the next three years.

We are continuing to keep the Fund open for applications with September 30th, 2018 being the next deadline for general applications.

The BCID Fund continues to operate with a schedule of priorities developed under these headings:

- Build Industry Association Capacity
- Build the BC Beef Advantage
- Build Industry for Sustainable Growth
- Build Opportunities through Research

When we finish our review of the Five Year Report and in consultation with the four provincial associations we will be reviewing and adjusting the priorities to ensure we are meeting the needs of industry.

Presidents' Meeting

Last year the Association Presidents and OII joined with CIDC for a meeting in advance of the annual meeting on May 2nd, 2017. Bob Miller of OII presented a report on activities. There has been a lot of ongoing discussion on including Vancouver Island and the Lower Mainland into brand inspection areas. However, the Dairy representatives advised that they see National traceability meeting their needs rather than brand inspection. Continued consultation with the Dairy industry will be important moving forward.

Tom Lynch-Staunton addressed the meeting by telephone on activities relative to Issues Management. At the time of the presentation, Issues Management was in the infancy stage. Over the past year, the program has continued to develop to meet the recommendation from the National Beef Strategy. At that time, Issues Management worked with a small budget funded by Canada Beef. With the increase in the National check-off each Province may now allocate money to Issues Management and a service agreement that has been developed between the National Agency and CCA to manage.

The four Association Presidents and their General Managers reported on the activities of their individual Associations. The Council considers this an important exchange of ideas and helps keeps us on top of the current issues.

Horn Levy

The Horn Levy of \$10 per head of cattle sold with horns is collected in BC and managed by a Committee that meets independently of CIDC. The funds collected are available for Associations (whose members raise cattle) for projects to benefit the Cattle industry. In 2017-18, three projects were approved, which leveraged \$7,000 of the Horn Levy Funds.

Our thanks to the representatives on the Horn Levy committee: August Bremer (BCACF) is the committee chair and Bill Bentley (BCCA) is vice-chair. They serve together with Leroy Peters (BCCA), Marvin Tonn (BCBFA), Bob Miller of OII and Geneve Jasper (BC Ministry of Agriculture, Livestock Lead).

Communications

Council's website www.cattlefund.net is regularly updated and maintained with the most up to date information for producers, including reports and access to forms etc. We provide regular written updates and advertise in *Beef In BC* and *Country Life in BC*. The next newsletter will be distributed in the summer of 2018. Council members are always available to provide updates to local/regional meetings. The annual meeting is planned for Prince George this year on June 27th. We are hoping for a large turnout of ranchers in the area.

Representation

British Columbia is unique in that we are the only province that administers the check-off through a Council consisting of members of our four producer Associations. The members of the Cattle Industry Development Council continue to work co-operatively for the best use of funds paid by producers. Representatives are:

BC Association of Cattle Feeders: Haley Rutherford

BC Breeders & Feeders Association: Connie Patterson

BC Cattlemen's Assoc.: Linda Allison (Chair), John Anderson, Bill Bentley, Martin Rossmann

BC Dairy Association: Brian Schurmann, Thomas Wynker (Vice-Chair)

I would like to thank the Council members for their commitment this year, as they work to ensure that the BCID Fund and check-off dollars are spent for the benefit of the beef industry in BC.

A huge "Thank You" goes out to Hallie MacDonald for all of her work keeping Council in line. Hallie has been our Administrator for a very long time. Hallie had all of our information at her fingertips and most certainly was the "expert" on all issues dealing with our check-off. With Hallie's retirement coming at the end of this AGM, we wanted to say we will miss her expertise and cheery smile. We thank you for your dedication to our Council and wish you the very best in your retirement with your family.

Respectfully submitted,

Linda Allison, Chair
Cattle Industry Development Council