



A Complementary Industry The Live Cattle and Beef Market



Since the introduction of free trade in the late 1980s, the United States and Canada have become each other's largest trading partners in agricultural products. In this process, the cattle and beef industry supply chain complex has become highly integrated, acting very much like a single market.

The nature of the Canada – US cattle and beef market allows for better supply chain management thus enhancing profitability for all stakeholders in the chain. This integration allows for the partners in the supply chain to have access to a range of animals and beef, providing a wide product mix satisfying every consumer's price point.

The import of high quality cattle from Canada also allows US processing plants to run at full capacity. 95% of the imported beef product from Canada is trim used for ground beef because the US consumes more hamburger than it produces. Importing lean, Canadian beef allows US producers to meet domestic demand for hamburger and other products. This allows producers to upgrade cuts that were historically ground by exporting them at higher values. By working together, the beef trade between Canada and the US flourishes and supports many jobs and families within their communities. In fact, it is estimated that 7.1 million American jobs were dependent on trade with Canada in 2007. Bilateral trade between our countries in cattle and beef is a part of that equation.

Trade Flows of Live Cattle, Beef and Feed are Very High

→ The value of bilateral trade in cattle and beef between the US and Canada increased from roughly \$1.6 billion in 1992 to nearly \$2.7 billion in 2002. While the growth pattern was interrupted in 2003 as a result of BSE and the closure of the US border, this nonetheless represents a nearly 70% increase in trade over the span of a decade.

→ In 2007, Canada exported over 1.4 million head of cattle to US farms and processing plants, with a value of \$1.4 billion. In the same year, the US exported over \$575 million, or 115,000 tonnes, in beef and beef products back to Canada. This represented over one-quarter of total US beef exports to the world.

BSE is a Shared Risk Our Recovery Over Time

- Over the last several years, Canadian and American beef cattle farmers alike struggled with closed borders. However, continued coordination between Canada and the US has allowed the North American beef market to make its way to near full recovery and provide opportunities to expand other markets abroad for Canadian and US cattle and beef. This has been complemented by the classification of both countries as “controlled risk” for Bovine Spongiform Encephalopathy (BSE) in 2007 by the World Organization for Animal Health (OIE).
- 2003-04: The discovery of BSE in Canada and the US in 2003 and 2004, respectively, had a negative impact in both countries, while also presenting serious challenges to maintaining competitiveness in international markets.
- 2005: On July 14, 2005, the Canada-US border re-opened to cattle under thirty months of age for feeding or immediate slaughter and their products.
- 2007: On November 19, 2007, the US border was opened to allow any Canadian cattle born on or after March 1, 1999, as well as beef and beef products from older animals to enter the US market. Since this time, both the American and Canadian live cattle and beef industries have seen significant growth in trade.
- Two-way trade in cattle and beef was valued at \$1.7 billion between January and June in 2008, up from \$1.3 billion bilateral trade values estimated for the same time frame in 2007. To provide a more specific example of the increased value of trade, in 2008, the US exported \$108 million more in beef products to Canada than it exported from January to June of the previous year.

A Partnership in Food Safety

- Canada and the US have been classified as ‘controlled risk’ countries for BSE. Canada and the US inspect and re-inspect beef products to ensure that they are as safe as possible. Our complementary beef industries ensure that consumers purchase safe and delicious beef.
- The Canadian Food Inspection Agency (CFIA) has a long history of cooperation and collaboration with the US Department of Agriculture (USDA). When Canadian cattle and beef products are destined for the US market, the CFIA is responsible for certifying that each load meets USDA requirements before it can be transported to the border. Canada's regulations are not identical in all cases to those in the US, but they must achieve the same level of protection against food safety hazards.

Please visit our website: www.agr.gc.ca/usadvocacy

All figures are in US dollars. Canadian export figures to the US do not include re-export values

Data source: Statistics Canada, July 2008

Additional sources: Beef Information Centre, CattleFax, The Canadian Cattle Identification System





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Canada's Cattle Identification System: Enhancing Canada's Traceability Efforts

→ The Canadian Cattle Identification Agency (CCIA), enforced under the CFIA, was fully implemented in 2002. Its purpose is to contain and eradicate animal diseases in Canada by using a 'trace back' method that are low cost to producers. Since its creation, the CCIA has issued over 45 million ear tags, and in 2006 it was affirmed by CFIA that the use of the tags on Canadian cattle had reached 100%. The tags use radio frequency technology to enable rapid and accurate animal identification. Information related to the geographic location of an animal will further enhance the ability of the ID system to contain and eradicate animal disease. The Canadian identification system is a prime example of how Canada provides safe beef to millions of consumers and ensures the health and safety of our cattle population.

Canada-US Total Cattle & Beef Trade

