



FROM THE *flock*

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Opinions expressed in this document are those of the Canadian Sheep Federation and not necessarily those of AAFC.



CFIA budget cuts are to have no impact on Canadian food safety

By Barb Caswell, National OFFS Coordinator

As the government continues to tighten their belt in order to address the federal deficit, the Canadian Food Inspection Agency (CFIA) has been no exception to the budget cuts. Those cuts have resulted in a great deal of media attention and public concern over potential implications for the safety of Canadian food.

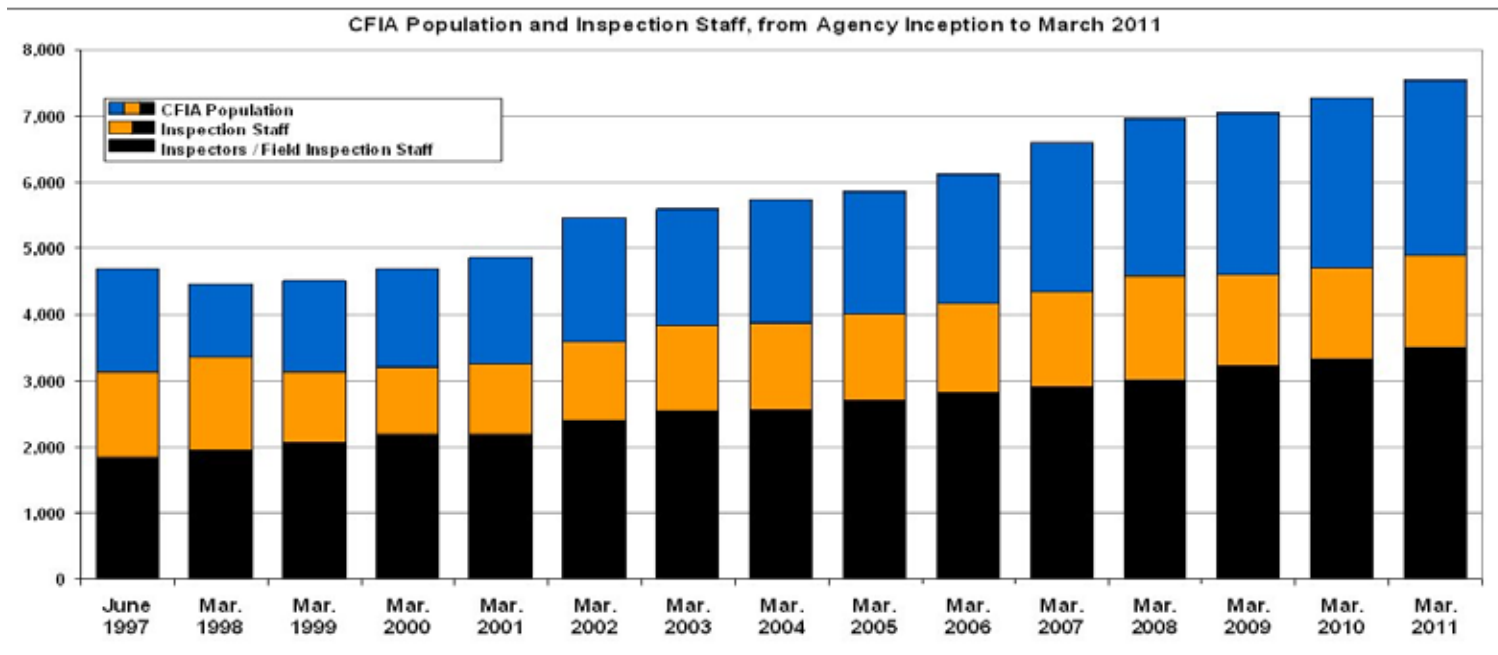
The federal government has continued to invest into CFIA in the 2012 budget with an additional \$51 million over two years to address food safety. This builds on the \$100 million invested in 2011 and 733 new inspection staff hired since 2006 shown in the table below. Inspection staff includes not just front-line inspectors and inspection managers, but also chemists, risk assessors, supervisors and scientific researchers. Of the 733 new inspection staff hired, 170 are meat inspectors.

Aside from this continued investment, CFIA has stated they are not outside the need to make cuts and are committed to finding efficiencies, streamlining redundancies and focusing investments where they actually strengthen food safety. In a statement released on April 17th, George Da Pont, CFIA president, confirmed that "...nearly 50 per cent of the reductions are derived from internal efficiencies that will not affect [CFIA's] programs. The CFIA will focus on its core mandate of food safety, animal and plant health, and consumer protection. This means that less emphasis will be placed on grading and verifying product quality."

Several of the cuts CFIA intends on making have been listed on its website, including consolidations of office and laboratory space and closure of quarantine inspection stations.

These cuts are to not influence CFIA's operations and delivery of services. The quarantine inspection stations being closed have not been in use and there are a number of CFIA offices across the country which CFIA says could be combined or reduced. However, there is to be no reduction in the number of CFIA inspectors as a result of the closures. The consolidation of labs in Sidney, British Columbia and St. John's, Newfoundland will allow for work to be moved to higher tech facilities with a larger group of scientists working together. The work in BC is being moved to an Agriculture and Agri-Food lab in Summerland BC, while the facilities in St. John are grossly outdated and as such are being simply relocated to other labs in Atlantic Canada.

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Source: <http://epe.lac-bac.gc.ca/100/206/301/cfia-acia/2011-09-21/www.inspection.gc.ca/english/agen/inspece.shtml>

The facilities where work is being transferred to are more modern and better equipped to handle the complex food and plant diagnostic testing required by industry in support of food safety and market access.

The CFIA has also chosen to return the responsibility of provincial meat inspection back to the provinces of British Columbia, Manitoba and Saskatchewan.

While this change has garnered a great deal of attention, the conservatives have been quick to remind its critics that in other provinces across the country, there exists both federally and provincially inspected abattoirs. CFIA only maintains inspections at federally registered plants while provincial governments are responsible for inspection services at provincially registered plants. In BC, Manitoba and Saskatchewan, the provincial governments had contracted out the provincial inspection services to the CFIA. Ritz has acknowledged this initiative will take some time and the government is committed to working with the provinces to ensure a seamless changeover and that food safety standards are maintained. There should be no impact on the services offered to producers by provincially- or federally-registered abattoirs.

The full outcome of the above cuts is anticipated over the next few years to be completed in 2014. Media has placed a great deal of focus on potential for lost jobs at CFIA as a result of cuts, particularly a feared decrease in the number of front-line inspectors many of which were added after the Listeria outbreak in 2009.

However, there appears to be conflicting reports as to if front line inspectors will be cut and if so, how many. Regardless, CFIA has assured the cuts will not in any way influence their ability to monitor food safety.

While there will be no anticipated windfall for the domestic production of sheep and lamb meat in Canada as a result of the CFIA's budget cuts, Canadian producers can continue to do their part in contributing to the safety of Canadian food by producing a safe, high quality product. Any increased burden on the small abattoirs processing lambs could contribute lead to a further reduction in the number of processors processing lamb. As such, the transition of provincially-inspected abattoirs in BC, Manitoba and Saskatchewan from CFIA's portfolio will be closely scrutinized by both the media and producer groups.

Sources:

"Budget 2012 and the CFIA" <http://www.inspection.gc.ca/about-the-cfia/accountability/sound-agency-management/budget-2012/eng/1334629020486/133462931058>

"Closer inspection required", <http://www.lethbridgeherald.com/opinions/closer-inspection-required-81311.html>

"Food safety gouged", <http://www.foodsafetyfirst.ca/2012/04/11/food-safety-gouged/>

"Statement from Agriculture Minister Gerry Ritz", http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n120411d



Voluntary Scrapie Flock Certification - National Standards

By Corlena Patterson, National Scrapie Coordinator

On an annual basis, the National Standards of the Voluntary Scrapie Flock Certification Program (VSFCP) are reviewed by the CFIA VSFCP Coordinator, the Canadian Sheep Federation's National Scrapie Coordinator (the program administrator) and the Scrapie Canada Working Group. During the course of the annual review of the program standards, proposed program changes are reviewed by the group and where there is a consensus, regulatory changes are made to the program. Approved program changes are then written into the VSFCP National Standards and once published by the CFIA, the program changes are implemented.

Standards Revised

The Voluntary Scrapie Flock Certification Program National Standards were last reviewed in September of 2011 and the revisions were published on Monday May 14, 2012. The revised National Standards are now implemented in the administration of the VSFCP, and can be viewed at: http://www.inspection.gc.ca/english/animal/hasan/man/avmmva/avmmva_mod7_a3e.shtml or by visiting the Scrapie Canada website at: www.scrapiecanada.ca

The recently revised National Standards include both rule clarifications and rule changes. One major program clarification pertains to deadstock testing requirements (section 3.11) and states: ***"If no suitable samples have been submitted for testing for a period of time equal to or exceeding 12 months, at least one animal 24 months of age or older, which has resided in the flock/herd for no less than 12 months, is to be humanely destroyed (in any manner: slaughter, euthanasia) and a sample submitted for testing."*** Every enrolled producer must submit obex samples for testing from every animal 12 months of age or older that has died or been killed on-farm, and must submit a minimum of 1 obex test per program year. If there are no on-farm deaths in a given year, producers must destroy an animal for obex testing or they may collect an obex from an animal destined for slaughter so long as that animal is over 24 months of age and has been in the herd or flock for at least 12 months.

The option of collecting an obex from an older animal destined for slaughter is often overlooked although it is a viable alternative to destroying an animal specifically for obex testing to meet program requirements.

Clarification has also been made with respect to genotype test requirements for rams enrolled in Pathway 3 of the VSFCP (section 3.20): ***"The genotype of 171RR breeding males must be determined twice: by using a combination of predictive parentage and testing by a laboratory approved by the CFIA, or a combination of testing at any laboratory and at a laboratory approved by the CFIA. Accordance between the results of the two separate determinations of genotype is required."***

This is to say that rams used in flocks enrolled in Pathway 3 must either have 2 genotype tests (with at least 1 from a CFIA approved lab) or 1 test from a CFIA approved lab plus genotype tests of both parents proving that the ram is of the 171RR genotype. If Pathway 3 enrolled producers are purchasing rams, they must remember to provide 2 lab genotype reports per ram as part of the annual application for advancement.

There is a change in program rules regarding producers applying for temporary enrolment in the VSFCP for the purpose of importing animals (section 2.1): ***"In addition, flock/herd owners who obtain temporary enrolment and do not complete the requirements for full enrolment in the VSFCP will not be permitted to re-enrol in the VSFCP for a period of three years from their date of acceptance for temporary enrolment (subject to appeal)."***

Producers who are granted temporary enrolment in the VSFCP and conduct the import of animals from the US but fail to complete full enrolment by not completing and submitting their initial animal inventory within 30 days after importation, will be reported to the CFIA. If flocks/herds that have imported animals do not follow through with the obligations as defined by the VSFCP, additional measures (as determined by the CFIA based on the specifics of the animals in question) will be applied to ensure that the imported animals do not represent a risk to the Canadian flocks or herds.

Finally, some helpful changes have been made to requirements for Annual VSFCP Reports (section 3.10): ***"*Official documents produced by provincial identification/traceability programs will be accepted as supporting documentation for animals that have moved on and off the premises. In all cases, the owner is ultimately responsible for clarifying any inventory questions/concerns that may arise during the course of the review of the annual report by the status assessor."*** This will mean that producers from provinces with identification/traceability programs can submit the inventory and animal movement reports from their provincial organization in lieu of individual sales invoices and abattoir receipts. For example, Quebec producers can simply submit ATQ reports to verify the sales and slaughter of animals rather than supply receipts. This change was designed to decrease the amount of duplicated information that must be submitted by producers for various industry programs. As ATQ uses an independent third party verification process to systematically trace animal movements, requiring producers to submit the same information (once again) to the VSFCP is deemed redundant.

The goal is to maintain the integrity of the program administration while allowing enrolled producers to benefit from effective traceability programs

For an updated copy of the Voluntary Scrapie Flock Certification Program National Standards, or for further information regarding the VSFCP, contact Scrapie Canada at 866-534-1302 or visit www.scrapiecanada.ca

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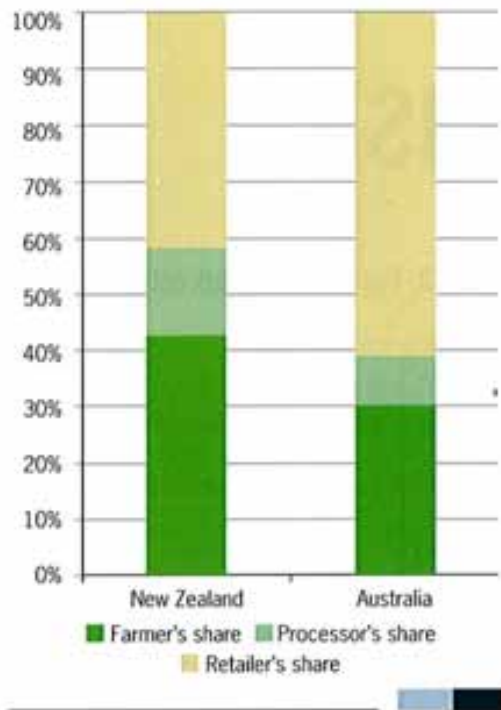
The Lamb Market

The Marketplace

By Susan Hosford, Sheep Industry Specialist, AARD

The Canadian lamb industry is a part of a huge global food supply chain. The prices producers get for their lambs are determined ultimately by the price consumers are willing to pay. Producer price for market lambs has been good for the past three years and that's been reflected in steady increases in the price of lamb in supermarkets. Supermarket prices have been gaspingly high for many consumers. Producer and processor margins are tight, so what else impacts producer price?

Graph 1: Share of gross return on 200kg CW animal (%)



An article in New Zealand's Country-Wide magazine looked at the beef farmer's share of the retail price. It found that New Zealand producers get 43%, Australian producers get 30%, while American producers get 45% of retail beef price. It bears repeating, the lamb industry is part of a huge global food supply system. Producers and processors are a key part, but not the only part.

Source: "NZ Share Bigger, But Pie Smaller", Country-Wide, May 2012

New Zealand ... The lamb export lamb market was hit by high prices in the last quarter of 2011 and early 2012. With European consumers nervous about the economy lamb supplies have outdistanced demand in this key market. As a result there has been a correction in prices. It's likely that, having paid high prices for lamb in the first quarter of 2012, processors will be more conservative in pricing.

NZ lambing percentages next year may be higher as a result of a good breeding season and more ewes being bred, however the national ewe flock doesn't appear to have grown significantly. Breeding ewe prices appear to have peaked in January, shopping for breeding ewes will be easier

For Canadian producers a major New Zealand processor has messages worth considering:

- Paying too much for feeder lambs will have lamb feeders struggling to make money.
- Contract a percentage of your lamb crop to your key buyer.
- Have more than one buyer to reduce your risk.
- Be absolutely sure to meet market or your contract criteria:
 - o Meet shipment dates and numbers.
 - o Lambs must have short wool, be clean and free of manure/mud dags
 - o Lambs must be the right weight. Do not push lambs to heavy weights. It is nearly impossible to sell heavy carcasses and they add to the oversupply of product.
 - o Lambs must not be over-fat. Consumers will not buy fat, it costs producers in feed and it costs processors in trim and disposal.
- This one is a bit different: "Ship no lambs that have cut their teeth (over 12 months of age)". That results in NZ processors losing EU certification for one day; repeat offenses can cost EU certification for one year. High value markets are worth working for!

Source: "AgLetter May 14'2012"

“Making the Best Better”

By Susan Hosford, Sheep Industry Specialist, AARD

The lamb industry ... growing and getting better

For the past three years the Alberta lamb industry has You can increase production by bringing in new producers. And if you're one of those newcomers – welcome. You've joined an industry with incredible opportunity for flock managers who plan to be better than average!

The other way to increase production is for existing flock managers expand their flocks. That's happening across the industry as many flocks hold back more replacement ewe lambs than normal. Experience is valuable when a business undertakes expansion. In addition to already having seen some of the ups and downs of markets, weather, flock health and finances ... existing producers have some idea of their flock, their own management strengths and can be in a better position to look at improvements.

Improving the top performing flocks – making the best better – is an opportunity to improve profitability and productivity in lamb production in Canada

Combining experience, research and training to improve flock management

The focus of effort and collaboration in lamb industry projects (“LTP - Lamb Traceability Pilot”, “PFM- Precision Flock Management” and “Tools & Resources”) is to combine producer experience, training, new information, new tools and technologies into improved flock management systems.

New tools are making fine-tuning, or more precise, flock management possible: computers, internet information, RFID technology and electronic equipment systems, flock production and financial management software. Extensive training to improve producer skills in using the tools and technology was undertaken and now the focus is on using the new systems to improve flock production and financial management.

Alberta projects have found there is a significant difference between industry ‘top performers’ and the ‘bottom performing’ flocks.

Alberta Flock Performance – Key factors in profitability	LTP “TOP” Performers	LTP “BOTTOM” Performers
Lambing % (not just the lambs in your lambing records, this is all live lambs born from all ewes exposed to the ram)	182%	154%
Lamb % to market (key source of income for Alberta flocks)	157%	129%
Feed cost per lamb sold (feed is the highest single cost)	\$66	\$111
Labour return per hour (labour is the second highest cost)	\$22	\$0
Total cost of production per lamb sold (all costs)	\$162	\$298
Profit per lamb sold (will you be in business next year)	\$24	\$0

Is your sheep business in a position to grow?

No business can grow if it's short on cash. The struggle for profitability is a global one. The Australian flock has a relatively poor lambing performance at roughly 76% lambs marketed per ewe exposed to the ram. Too few lambs per ewe has a major impact on producer profitability, on the productivity of the industry and on the size of the national flock. With poor productivity you need to feed a lot more ewes to produce enough lambs to meet market demand.

“Top performance – making your business better”

By Susan Hosford, Sheep Industry Specialist, AARD

The Alberta lamb industry is part of an interconnected global food supply chain. We get pod peas from China, grapes from Chile, cheese from Italy and lamb from New Zealand, Australia and Canada.

Do you really know your consumer? Do you ever buy lamb in the store just to see what consumers are buying, and how much they're paying for it? Do you produce lambs that processors need to keep Canadian consumers buying Canadian lamb again and again? The Alberta Meat and Livestock Agency just released a consumer survey on Canadian meat buyers that includes some interesting information on lamb consumers.

Know our market

The table below confirms what experienced producers know – when there aren't many lambs in early spring, prices are stronger. By the time May-June lambs come off grass in the late summer, there are more of them and prices can drop alarmingly. When, where and how you ship your lambs is an important business decision. Before you pick a prime marketing month - you need to exactly know how much it costs you to produce a lamb. Winter-born lambs and spring-born lambs have very different costs. You can't control market prices, you can control flock production and production costs.

Market prices aren't the whole story

Did you know that the price you get as a producer is set in the global lamb market – Australia, New Zealand and the United States? What you get for a lamb is based on:

- How much consumers are willing to pay for lamb? 2011's high prices resulted in a drop in Canadian consumption of 11% from the high in 2007. The economy has an impact on how much money consumers have to spend; high cost lamb or low cost chicken.
- How much lamb is available for retail stores and restaurants to put on their shelves or on their menus? Imported lamb volumes are down. New Zealand and Australian NZ and AU produce 90% of the lamb meat exported. Their production dropped 17% from 2006 to 2011. Both have focused on increasing production – they have environmental limits, but both are incredible 'machines' when it comes to producing lamb efficiently.

For a copy of the 2012 Canadian Consumer Retail Meat Study go to: www.alma.alberta.ca

When Do You Ship Your Lambs?

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	\$126	\$133	\$125	\$127	\$132	\$137	\$131	\$127	\$126	\$134	\$136	\$135
2009	\$136	\$136	\$144	\$147	\$145	\$144	\$142	\$134	\$131	\$128	\$128	\$130
2010	\$131	\$136	\$140	\$152	\$156	\$152	\$148	\$145	\$140	\$140	\$144	\$149
2011	\$157	\$163	\$186	\$185	\$190	\$183	\$175	\$174	\$179	\$181	\$180	\$182
4 yr Avg	\$138	\$142	\$149	\$153	\$156	\$154	\$149	\$145	\$144	\$146	\$147	\$149

- Alberta average prices with thanks to SunGold Specialty Meats
- Average Alberta return on 110 pound lamb
- Red = low price of the year / Green = high price of the year

Know your own business – inside out

Know how every ewe in your flock performs.

Every ewe costs you money to keep, make sure the ones you keep help pay the bills. The key is to identify which are the best performing ewes, to cull the poorer performers earlier and keep more highly fertile sheep longer.

- RFID tags, management software and compatible tag readers are new tools that allow you to collect and analyze data on every ewe. You can't afford to not use new technology, new research and new information.

Do you know what it costs you to produce a market lamb?

- The Flock Snapshot financial analysis tool was developed with 50 LTP project co-operating producers to analyze flock financial performance. Project cooperators tested a number of versions that have lead up to the simplified one that will be available this summer. It helps provide flock managers with a one-page picture flock financial status. It will be free of charge and available on the web this summer. Watch 'From the Flock' for more information.

Be informed – making the best even better means getting the best information.

- Did you know research (AU Sheep CRC) shows that some older ewes outperform their younger rivals well beyond their traditional "best before date"? Identifying, retaining and managing your best performing older ewes, rather than simply culling for age, improves flock reproductive performance and reduces the investment cost of retaining ewe lambs.

- Lamb losses due to predation cause untold stress, however most years many more lambs are lost at lambing. Lamb death loss is long-standing issue not only here but around the world. It was identified as a major 'profit leak' by LTP cost of production studies. Why do some lambs get up and get going and others just seem to lay there until it's too late? Are you using rams that contribute to birth vigour? Feed is the highest cost in producing a lamb – are your pregnant ewes getting the right nutrients for lamb survival? Are your facilities set up to save labour and lambs?
- Have you visited your shepherd neighbours to see what they're doing? Several are using new milk replacer machines for raising orphan lambs. At this stage feedback is positive. The machines help reduce labour and milk replacer used per lamb. They also seem to be keeping more orphans alive.

Look for opportunities for your business

- The business of sheep production is changing rapidly, the fittest businesses will survive.
- Focus on the market and your lamb consumer.
- Look for new ideas. RFID tags aren't just a cost. Together with good flock management software and a compatible tag reader there is management potential.

