



# Livestock Markets Association of Canada



2011

# Annual Report

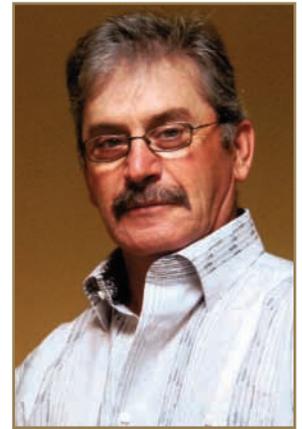
## Message From the President - Jim Abel

LMAC has built good relationships among Government and other sectors of the industry. We have had great success in stating our members' positions very clearly and succinctly and Government has listened. We have built a very positive reputation with both Federal and Provincial Governments across Canada, allowing us to be very successful in changing directions to programs and legislation that is beneficial to our members across Canada. LMAC's instrumental role is now widely recognized and our input is sought on many issues facing our industry.

The LMAC Board has had another very busy year representing our members' interests at the National level. The Board met five times in 2011. Three of those meetings were conference calls. Rick Wright sits on the CCIA board and Larry Witzel sits on the IGAC Board. Many other Board members represented us throughout the year at a number of Provincial, Federal and Industry committees and forums, covering issues such as Traceability, Weights and Measures, Auction Market Applied Research Projects, Tagging and Tag Distribution.

Six of our Board members attended the National Cattle Traceability Summit in August. This resulted in a turnaround in the direction for traceability that LMAC had been working on for five years. This victory will have a huge financial benefit for LMAC members.

We welcome comments or concerns from all of our Members. We encourage you to become involved and we ask you to encourage non member Markets to join LMAC. We have proven that with a strong unified voice we can make changes that are beneficial to our business. Thank you for your support. We look forward to working together in the future to continue strengthening the marketing industry.



## Report from the Executive Secretary - Jim Wideman

LMAC members continued to benefit from the increased profile and active involvement of our Board Members in administrative, regulatory, research and lobbying efforts in 2011.

This year saw the conclusion of the two and one half year National Applied Research Project which was conducted at 10 Auction Markets and three Buying Stations across Canada. This project was undertaken in partnership with CCIA. Full findings along with a video can be found on our website, [lmacmarkets.ca](http://lmacmarkets.ca). The factors evaluated were: speed of commerce, animal and employee health and safety, read accuracy, business impact and capital and operational costs. One of the key findings that helped LMAC convince Government to take a step back on every animal reading at Markets was the fact that there was no value added for Markets in implementing traceability at this time. The majority of the benefit was for the Government and the public at large.

In January the Board met for a full day for its semi-annual Board meeting. Dan Lutz and Jaspal Mathai from Ag Canada and Dr. Ken Sloik from CFIA were guests at the meeting. A concept and consultation paper was presented on proposed regulation changes. The Board sent a very strong message that there must be a level playing field between Markets and private treaty sales. There was extensive discussion on markets being fined for untagged animals. It was agreed that changes need to occur and that lines of communication between Government and LMAC will be improved.

The 2011 LMAC Annual Convention and Auctioneer Championship was held in Waterloo, Ontario. Roy Rutledge from Assiniboia, Saskatchewan was inducted into the LMAC Hall of Fame and Brennin Jack from Regina earned the coveted title of 2011 Canadian Livestock Auctioneer Champion. Brennin was challenged by 22 auctioneers from across Canada and Australia for the title. Jim Abel was elected to a third term for President, Ken Perlich First Vice President and Scott Anderson Second Vice President.

On Saturday morning there was a three hour in depth Panel discussion on traceability followed by a question period with the members. There is full transcript of this discussion on the LMAC website under 2011 Convention News.

From August 31 to September 2, 2011, six members of the LMAC board of Directors attended the National Cattle Traceability Summit. In his letter to members in September, President Abel summarised that the purpose of the Summit was to reach consensus on a clear plan for traceability by Industry and all levels of Government. After two days of discussion by over fifty invited representatives, eight key messages were sent to Minister Gerry Ritz.

- Traceability is here; it is just a matter of when and how it will be implemented.
- Premise ID is essential for Traceability to move forward and must be uniformly applied across Canada.

- Funding needs to be sorted out: Public Good versus Private Good, and who pays what percentage.
- Movement recording at move-in by the owner of the cattle as a starting point.
- National cattle movement document will be a key component of how to move forward in developing regulations.
- Industry standards are needed to monitor and observe traceability progress before Government and Industry develop regulations.
- Enabling regulations with a common sense approach to administering regulations, having a graduated enforcement policy.
- Unified communication message required: one voice /one position.

A key outcome was a consensus by all Industry partners that reading move-in at Markets and buying stations was too costly and that RFID tags should not be read at these two points. Instead, there should be development of a National Movement Document. This was a major victory for LMAC and its members.

At the Saskatoon Summit, CCA suggested a third party risk assessment be conducted at co-mingling sites. The rationale behind the proposal was to prove that Markets and buying stations are not the cesspool of disease that government believes they are. LMAC had many concerns about the study. The board concluded that we could likely not come out looking favourably, which would have a negative impact on our businesses.

The Board convened a Board meeting on October 18, 2011 and the following motion was moved and carried;

*"Livestock Markets Association of Canada, having had major representation at the Saskatoon Summit, do not believe that third party risk assessment was agreed to at the Summit and therefore the LMAC board of Directors believes that in the spirit of industry cooperation that this action item should be removed from the action items list on the Summit documents".*

Since the Summit, CFIA has made it clear that this is a priority for them and that they will proceed despite our concerns. The Board will keep this issue as a high priority in 2012, looking at the possibility of doing an independent study with other industry partners.

CCIA is looking at a new Tag Distribution system. This may mean that Markets could no longer sell or supply tags. LMAC is working with CCIA to allow Markets and buying stations to have a supply of tags for use on livestock arriving untagged. CCIA has been very cooperative in trying to find a solution.

LMAC board members have been very active on many Boards and committees. Through their work on the CCIA Enforcement and Compliance Committee they have been successful in persuading CFIA to recognize the problem of "unruly animals". These would be untagged animals that pose a threat to the safety of market staff. CFIA has agreed in

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## *LMAC's Strong Leadership on Traceability Proves Beneficial to it's members!*

One of the most common questions posed by livestock markets and order buyers is, "What do I get for my membership in LMAC?" It has been a long time since Ralph Vold travelled to Ottawa to defend the cattle-marketing sector on proposed changes to metric. If we had been forced to change to metric, that issue would have cost the marketing business millions of dollars. Since that time LMAC has been at the table with government both federally and provincially, and with industry groups such as Canadian Cattle Identification Agency, Canadian Cattlemen's Association, and others in order to protect the best interests of LMAC members.

Over the past six years, traceability of livestock has transformed from a rumour to a reality! The federal government has made livestock movement reporting a priority. Traceability started with all cattle being required to have a unique tag if moved from the owner's farm. Now the CFIA wants to track the animals as they move through the value chain. Today their main focus is on disease transmission control. Auction Markets and buying stations are currently categorized as high-risk co-mingling sites by CFIA. Originally CFIA wanted to have all livestock individually scanned both on arrival at and departure from marketing centres. LMAC representatives have been lobbying hard to change this approach. LMAC voiced concerns of additional costs to industry, negative effects on the speed of commerce, market neutrality, animal welfare and employee safety. LMAC representatives attended meetings and sat on committees, and members offered to become test sites in projects to prove what effect the CFIA approach would have on the livestock marketing business. Six members of the LMAC board of directors attended the National Cattle Summit in Saskatoon to make sure that LMAC concerns were being addressed and to lobby other industry stakeholders and government representatives for support. The results from the National Auction Markets Project, combined with the lobbying efforts of LMAC, produced positive results.

At the Summit, industry and government agreed that scanning every animal at an auction market or buying station was not feasible at this time. Agreement was reached to pursue the use of a movement

### *Report from the Executive Secretary*

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principle to exempt these animals, providing they are accompanied with the proper documents and a CCIA approved tag to the packer. This exemption will apply only to cattle going directly from the Auction Market or buying station to slaughter.

LMAC has been very focused on traceability over the last several years. At the January 2012 Board meeting there were concerns raised that we need to start addressing other issues that are facing our members across Canada. It was decided that as a part of our educational session at the Annual Convention we would have roundtable discussions to have our members identify the top five issues, other than traceability, facing our Markets. When these five issues have been identified it is our plan to develop member development workshops that will address these issues. Contingent on funding there would be regional or provincial training workshops conducted by experts in each issue area, along with printed material specific to each of the five topics.

LMAC believes that a part of it's mandate is to bring added value for it's members by expanding their knowledge base and expertise as they work in a highly competitive marketplace.

document to track the movement of livestock. The concept is built around the reporting of group movement rather than individual tag numbers. **This was a major win for the auction market business**, and was the direct result of LMAC Board members' representation on committees and lobbying efforts.

From that same Cattle Summit, government laid the foundation to have risk assessment studies done at co-mingling sites. Once again auction markets were under the microscope, but LMAC was there to defend their members. LMAC made sure that the markets were not singled out, and if any studies were done, that intermediate sites were all treated the same. The risk assessment study is now a "movement logistics" study, which if completed, will gather information on the movement of livestock, rather than on what the livestock could have been exposed to during ownership transition. LMAC will be very active on the steering committee of this project to ensure that the information gathered is accurate and used in a positive way as to not harm the industry.

LMAC has worked with industry to secure funding of over 2 million dollars from government to cover the costs of projects dealing with traceability and cattle movement.

LMAC currently chairs the enforcement and compliance committee, which has industry working with CFIA to reduce the number of fines to auction markets. This committee was successful in the approval of an unruly animal exemption. Individual animals deemed to be too wild to be safely tagged, can move through the system without the producer or market subject to fines. The animal must be sent to slaughter and a CCIA tag must accompany the animal.

LMAC gives great value to its members, without LMAC's active participation Government will determine our future for us.

**Submitted by Rick Wright**

### *Hall of Fame Inductees*

**2010**

**RALPH VOLD**

**Ponoka, Alberta**

**2011**

**ROY RUTLEDGE**

**Assiniboia, Saskatchewan**

### *LMAC continues to be the Leader in promoting Good Handling for Livestock*

In the early eighties LMAC, with the assistance of world renowned doctor of animal science Dr. Temple Grandin, developed four distinct Good Handling documents for use by Markets. **1) How to Handle Cattle more Easily, 2) Reduce Economic Loss at Loading, 3) Reduce Carcass Bruising Costs, 4) Meet the Public's Demand for Proper Animal Handling.** This material is as relevant today as it was then, they are excellent training tools for your staff. Implementing the ideas will please your customers as they see their valuable livestock handled with the proper care. You can access these documents by visiting our website, [Imacmarkets.ca](http://Imacmarkets.ca) and go to the Education Tab. A CD is also available by calling the LMAC office at 519-576-5150.



### *LMAC Code of Marketing Standards and Principles*

As a member of the Livestock Markets Association of Canada, this marketing business pledges to uphold the following marketing standards and principles. We pledge to:

- Maintain the highest standards of honesty and integrity in all transactions.
- Strive for the complete satisfaction of our customers.
- Provide true and accurate weights.
- Accurately describe and represent all animals.
- Maintain a sound financial basis by assuring that full payment is made to sellers and received from buyers, in accordance with the terms of the transaction.
- Provide adequate, humane and serviceable facilities.
- Maintain the highest standards of livestock health and disease prevention.
- Comply with federal and provincial livestock marketing laws.
- Uphold the principle of complete freedom of choice for buyers and sellers in selecting the manner, method and means of buying and selling livestock.
- Promote the principle of free and open competition throughout the livestock marketing industry.
- Support all aspects of the Livestock Markets Association of Canada's Good Handling Program.

*Official Sponsor:*



### *LMAC offers Market Reporting Service for Members*

LMAC has a contract with DTN to supply Member Market reports on the DTN network. LMAC Member Market Reports are uploaded daily to DTN. All you have to do to take advantage of this great service is fax your Market Reports to 519-742-5552 and your Market Reports will be exposed to the North American market place.

## *Board of Directors*

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