

Progress Starts with Partnership

Delivered by OCA President, Gord Hardy on February 24th, 2010

Good morning again, Ladies and Gentlemen. There's one thing I want to bring to your attention before I get into my speech. You will note that there is a musical side to my presentation. No, I am not going to sing. My mother was a music teacher and music has always been a part of my life.

In the weeks leading up to this AGM, I've been wondering how best to tackle this speech. I mentioned to a friend that this would be my last address as President of the Ontario Cattlemen's Association, and that given the state of the industry these days, it has become a challenge for me to find positive things to say.

We always seem to think that the grass is greener on the other side of the fence but it is very difficult to predict where the future will take us. Personal experience proves that when you're in need of support...

Not everyone who shows up is necessarily there to help you....!!

On a serious note, I know that I don't need to reiterate to anyone here that we've seen hard times in our industry. You all know as well as I do, that to be profitable in this business is a rarity at the moment, not the norm. These few clippings are a window into the state of the industry right now.

As Dave Stewart said in his report earlier on, this year we faced a market where the price was depressed for a number of reasons, including:

- Excessively high inventories of pork and other proteins in North America
- The global recession and its effect on purchasing power of consumers in North America
- The implementation of COOL in the United States
- The dairy cow buy-out program in the US

As if this wasn't enough, we also had to deal with a higher dollar and the enhanced feed ban – which puts pressure on our processing capacity in Canada – and we simply can't afford to lose more packers. We're also looking at the reality of a shrinking cow herd.

But, after sitting here, listening to me rhyme off all of our industry's challenges, there is some positive news...we're all here today for the same reason.

I believe that reason is because we have faith that the cattle business will return to some semblance of profitability. And, I also believe that we're all here today because we know that each of us cannot move forward alone – that progress must be achieved by working together.

The theme we chose for this year's AGM is "Progress Starts with Partnership". It's been said time and time again that we study history to prevent it from repeating, and hopefully, by learning what has happened in the past, we can move forward, make progress and prevent the same things from happening to us over and over again.

Yes, a lot of what we are currently facing arises from factors beyond our control as cattlemen, as I just mentioned. We cannot control the price of inputs, nor the value of the Canadian dollar. But what we can do is become allies as we move forward. Industry experts report the expectation that beef cow inventories and consequently check-off will continue to decline into 2010, as the industry continues to respond to profitability indicators.

The most probable scenario being considered is that the cow herd will continue to be liquidated throughout 2009 and 2010 in response to drought, poor prices, and volatile markets. Upon herd stabilization in 2011, marketings and check-off revenues would continue to decline through to 2012 due to reduced cow slaughter and the retention of heifers as herds are rebuilt. Check-off revenues would then begin to see some growth in 2013, as larger numbers of calves become available for marketing. By that point, we should be seeing industry progress.

In any event, the key word I hope that you will focus on in our theme is partnership. A loose definition of partnership is "a formal agreement between two or more parties that have agreed to work together in the pursuit of common goals".

Throughout popular culture there have been many successful partnerships – large and small. Let's take a look...

Well, maybe the last one hasn't turned out so well, but you do get my point. I'll bet this has been the closest shave he's ever had!!

As the old saying goes, the whole is always greater than the sum of its parts. OCA is well aware of this, and proof of that was made public last fall in the *Ontario Farmer*. In October, the Ontario Cattle Feeders' Association and OCA re-defined their roles, in order to better serve Ontario's beef producers. As Jim Clark writes in the OCA Annual Report, although our organizations had worked in unison over the past few years, on various political issues, we were still being viewed as two separate organizations, representing different agendas – and that's not necessarily true.

It was decided that OCFA would step back from the political arena to allow OCA to become the voice for the industry on policy and government relations issues. Given the OCFA's strengths in branding and marketing, that organization will focus its efforts on moving forward with the Ontario Corn-Fed Beef program. I would say that the OCFA-OCA partnership is a success story. OCA and OCFA have a good working relationship and I look forward to seeing the new partnership produce benefits for beef farmers in the future.

To make this alliance work well for you, however, it is vitally important that the OCA Feedlot Committee becomes more active. This committee should be working on research and policy issues relevant to the cattle feeding sector in Ontario, and pushing these issues up to the OCA Board.

We are losing too many producers in all of our sectors. OCA supports corn-fed's goal to better align the province's cow/calf sector with the program and help to make it sustainable. The cattle feeders are working with OCA, the *Ontario Livestock Dealers' Association*, *Beef Improvement Opportunities* and *OnTrace* to provide carcass data to cow/calf producers and backgrounders. This has proven to be more complex than anticipated but we know it's important for the cow/calf sector.

Another initiative which I believe in, and which I have been proud to co-chair, is the Ontario Beef Value Chain Roundtable. Ontario is not the first jurisdiction to face problems in its red meat industry. Britain suffered through BSE, and then they were hit by a foot and mouth epidemic. Consumer confidence and consumption crashed. In response to this, a Red Meat Industry Forum was established to assist farmers and processors. There were two primary objectives:

- to restore consumer confidence and consumption of red meat
- to improve the performance and profitability of the sector

Similarly, in response to many requests over several months from the OCA, Ontario's beef Roundtable was formed in the late summer of 2008. There is a national Roundtable, but we felt we needed an Ontario-focused group to build communication and trust among the many links in the chain. This group gives a forum for all participants, from primary producer through retail and food service, to express their ideas and issues with our industry in Ontario, and address some of the issues you see here.

We have needed a forum like this for a long time. The only way we will fix this industry is through dialogue and action.

Last month, we welcomed Carol Mitchell, Huron-Bruce MPP, to the agriculture portfolio. Her arrival brings renewed optimism - as we know that Minister Mitchell is well-used to agriculture issues, and represents one of the largest beef-producing ridings in the province. Although I will no longer be President, I know that the Board of Directors looks forward to working with her in her new post. The Minister will join us for the OCA banquet tonight and bring brief greetings in her first public appearance before beef producers. We look forward to that.

Minister Mitchell takes the helm on steering the task that was left to us by Leona Dombrowsky. As you will recall, last fall OCA and other agricultural groups were tasked by the former Minister of Agriculture to bring one lobby BRM "ask" forward that would work for all commodities. As Dave Stewart said earlier, the CoP type program that is being pushed, and which OCA supports, will be modeled off the grains and oilseeds risk management program. OCA will keep you posted on the progress made on that front.

I want to mention that one of the key challenges I see ahead of the industry that will impede our progress, is the splintering of our membership over the last couple of years. OCA has heard from government that we should be the conduit through which our members' voices are heard. We've been told that the presence of too many out-of-synch voices presents the industry as a disjointed and incoherent one. This is the perfect situation for government. Not even the most motivated of MPs or MPPs can help an industry that seemingly doesn't really know what it wants. They need do nothing while we are fighting among ourselves – and that's when we all lose.

Working individually as producers rather than a cohesive industry can be likened to hunters who aren't aware of each other. The possibility exists that both of those hunters will eventually suffer the consequences, while the duck continues on its way.

Instead, I encourage you, as you look to your local lobby efforts for 2010 to contact OCA for messaging and work with your organization so that it can better move your issues forward. You will all be familiar with the "Rosie the Riveter" posters, and the valor she was famous for promoting, when women had to take over munitions-type jobs in World War II. I feel that the cattle industry needs a little bit of that "can-do" attitude.

You have a great staff at your service and 12 Board members you can call to discuss our lobby with. Please, take advantage of that and let's begin to work together as true partners in our own destiny. We need your input but we also need you to be active and take a real interest in the organization and its democratic process rather than working against us. The industry has been through a very traumatic 7 years, and I feel that by working together we have accomplished a lot – but we need to remain focused and continue to work as allies as we move forward.

Before I step down, I would like to take the time to thank my fellow Directors for a job well done, and to recognize the hard work and professionalism provided by OCA's Executive Director, Dave Stewart, and his skilled and dedicated staff.

And, I would be remiss if I failed to recognize the contribution made by OCA's 49 Advisory Councillors, whose ideas and suggestions throughout the year provided useful input into the Board's decision-making process. It's grassroots support like yours which allows *Progress to Start with Partnership*.

I would also like to thank YOU, the producers across the province that I have had the opportunity to represent over the past years.

I have been lucky enough to have the chance to meet many people in this role...

...from Ministers, to Premiers, to Royalty, to Producers all across North America
...and I've had the opportunity to see things I would have otherwise never seen....

This is a bar Brad Wildeman, CCA president, took me to in Saskatchewan! I have pushed hard at CCA, for it to act more like a national organization and look after all of the producers of Canada, not just the needs of the west.

Thank you for allowing me to be your spokesperson.

I wish everyone best of luck for prosperity in the future. As you work together for solutions, I leave you with my final thoughts....

Thank you.