2013-14 Business Plan

Submitted to Canadian Beef Cattle Market Development and Promotion Agency (NCO)

Introduction

A portion of the funds collected by the Beef Cattle Research, Market Development and Promotion Agency (operating as Canada Beef Inc.) are directed towards the Beef Cattle Research Council (BCRC). The BCRC was established in 1999 as an operating division of the Canadian Cattlemen's Association (CCA), the national association representing the interest of beef cattle producers. BCRC's mandate is to determine research and development priorities for the beef cattle industry and is responsible for national check-off funds allocated to research. Research and innovation are key to driving competitiveness and innovation in the Canadian beef cattle industry and meeting increased consumer demand for beef products on a global scale.

As Canada's only national beef cattle industry research agency, the BCRC plays an important role in identifying the industry's research priorities and subsequently influencing public sector investment in beef cattle research.

The BCRC overarching goals are to:

1. Identify, fund and manage beef research and technology development in strategically focused priority areas of national significance as defined by industry stakeholders from across the national value chain.
2. Promote excellence in Canadian beef research and technology development by facilitating the exchange of information and expertise to encourage collaboration, discourage duplication and advocate the adoption of high standards.
3. Support and encourage rapid commercial adoption of new technologies to sustain competitive advantage.

The BCRC's overall objectives and priorities are to:

- Continue to enhance the safety and quality of Canadian beef
- Ensure the integrity and high standards of animal health in the Canadian herd
- Improve and ensure the dissemination of knowledge throughout the industry
- Ensure that sound scientific principals and risk assessment are utilized in developing good production practices, industry and government policy and standards
- Support innovative projects designed to improve industry competitiveness
- Enhance international acceptance of Canadian beef quality and safety standards

Environment Scan

The Canadian beef industry is a significant contributor to Canada's economy. In 2011, farm cash receipts from cattle and calves exceeded $6.4 billion. Together with the multiplier effect from downstream economic activity, the beef industry contributes over $33 billion to Canada's GDP.

Despite significant challenges over the past decade, the Canadian beef industry has recognized that there is significant opportunity to grow and expand over the long-term. This is based upon the fact that Canada has abundant resources (land, water, genetics, and infrastructure), and that there are growing markets for Canadian beef globally, and contraction of the U.S. and global cattle herds. Global beef consumption has grown and is projected to continue to increase an additional 3.7 million tonnes over the next decade. Global meat demand is being pulled by population growth, urbanization and an increasing middle class population in many developing countries.

A number of challenges need to be overcome if opportunities are to be captured by the Canadian beef industry. International market access and development continue to be a core priority for industry. There are also regulatory challenges around the enhanced feed ban, new product development and approvals, and other areas of importance. A high Canadian dollar and higher costs for inputs such as feed grains continues to also significantly impact industry competitiveness. The industry is also facing competition. Global competitors have made significant investments in marketing and research resources that are well in excess of Canada.

There is growing recognition by the Canadian beef industry that increased investment and coordination of research to achieve desired industry outcomes is critical to ensuring the industry's long-term sustainability. A study done for the Beef Cattle Research, Market Development and Promotion Agency reported that the overall return to producer check-off dollars was 9:1. Returns to marketing were 7.55:1, and returns to research were 46:1.

National Beef Research Strategy and the Beef Cattle Industry Science Clusters

As a supporting driver of industry's sustained success, the BCRC and the Beef Value Chain Roundtable (BVCRT) have developed a National Beef Research Strategy that provides a framework towards achieving national coordination of beef research priorities, funding and communication efforts. The research strategy is posted on the BCRC website at www.beefresearch.ca. In tandem with the development of the national strategy, Agriculture and Agri-Food Canada (AAFC) launched the Agri-Science Cluster Initiative program under Growing Forward I and the BCRC took a leadership role in developing the Beef Cattle Industry Science Cluster. Bringing together Canada's largest industry and public beef research funders, BCRC and AAFC respectively, to align dollars and priorities to achieve research outcomes that will meet industry needs, provides a more comprehensive outcome-based research program that is more directly aligned with industry's vision and priorities.

The first Beef Cattle Industry Science Cluster was a four year initiative between April 1, 2009 and March 31, 2013. Industry and government funding commitments through the first Cluster totaled $11.25 million directed to 32 research projects. Every National Check-off dollar was matched by six AAFC dollars.

In addition to the investments made through the Beef Cattle Industry Science Cluster, the BCRC has contributed over $4 million to nearly 60 other research initiatives. These BCRC investments have leveraged other industry and government dollars, leading to total funding exceeding $20 million.

The second Beef Cattle Industry Science Cluster is intended to be a five year initiative between April 1, 2013 and March 31, 2018. The BCRC proposes to fund 26 research programs, contingent on approval from AAFC. To ensure a seamless transition between the first and second Cluster, significant communication efforts have been underway with government to ensure Growing Forward II research programs are delivered in a timely manner with appropriate levels of funding and improved administrative efficiencies.

Core Activities for 2013/14

First Beef Science Cluster Results Reporting and Extension

In accordance with AAFC reporting requirements, BCRC staff will review final project reports submitted to the BCRC by researchers and develop a technical summary of each project funded under the first Cluster. Success stories that provided new information or technologies with the potential to increase demand or production competitiveness of Canadian beef and demonstrate the value of continued funding in research will be highlighted. Focus will also be placed on fulfilling financial management requirements to ensure the successful wrap up of the first Cluster.

The BCRC will encourage the application of relevant knowledge and technology within industry via fact sheets and other extension tools, such as videos, webinars, workshops and presentations as appropriate.

Second Beef Science Cluster Program Delivery

The BCRC's proposal for the second Cluster builds on the successful momentum of the first. Proposed investments are focused on a portfolio of research that contributes to the industry's ability to meet the growing global demand for high quality, safe beef through responsible and profitable production practices that support a sustainable future for the Canadian beef cattle industry.

Collaboration and investments under the proposed second Beef Cattle Industry Science Cluster are focused on four core research objectives under which more specific research programs have been established:

- *Improve production efficiencies:* through enhanced feed and forage production, increased feed efficiency, and decreased impact of animal health and welfare issues and production limiting diseases.
- *Improve beef demand and consumer confidence:* through reduced food safety incidents, supporting the Canadian Beef Advantage and improved beef quality through an audit program and primary production improvements, development and application of post processing technologies to optimize cutout values, and evaluation of the environmental footprint of beef production with recognition of positive contributions to present a balanced perspective.
- *Improve tech transfer:* through implementation of a long term Knowledge Dissemination and Technology Transfer strategy which focuses on regular communication to industry through extension tools including www.beefresearch.ca, videos, webinars and cost of production decision making tools, and promoting and enabling the engagement of researchers with industry.
- *Competitiveness, emerging issues and research capacity:* through flexibility in funding that allows industry to respond to emerging or critical issues in an expedient manner while maintaining professional capacity.

Research Performance Reporting & Evaluation

It has been identified by the BCRC that in order to demonstrate the value of investments in national check-off allocated to research, as well as encourage government to enhance their own investments in research, industry needs to take a leadership role in communicating the value of investments made in research. In addition, due to the limited number of research dollars and a large number of research priorities, industry also needs to consider in its priority and research program planning process the short-term and long-term returns to various investments options.

It is difficult for industry to estimate the value of investments made in research, as well as to determine the relative returns of different research investment strategies. While the benefits from research can be direct and immediate, in many cases the benefits from research are indirect and long term. Consequently the BCRC has partnered with Canfax Research Services to develop and implement an economic assessment tool that will aid in assessing the economic returns to beef research in Canada, developing BCRC research priorities, and track the economic benefit of BCRC funded research over the long term.

Research Program Implementation

Governance and Board

The BCRC is overseen by an operating committee comprised of industry representatives appointed by provincial cattle organizations that contribute to the BCRC through the national check-off. There are currently 11 committee members which proportionally represent provincial allocation of the national check-off to research. The committee is responsible for the direction of all aspects of the BCRC program, reporting semi-annually to the CCA Board of Directors.

The BCRC oversees research program development and implementation, playing a key role in establishing and refining industry research priorities in consultation with other stakeholders. Annual business and program plans and budgets are recommended by the BCRC committee for consideration and approval by the CCA Executive and Board.

Operational Management

The BCRC is currently overseen by a Research Manager, appointed by the CCA management, who takes direction from the BCRC committee and reports to the CCA Executive. This role includes developing and managing the implementation of annual business and program plans and budgets, organizing and facilitating meetings on behalf of the committee, and providing the committee with advice and input as requested. In addition, the manager acts as a liaison and facilitation link among the BCRC committee, CCA and BCRC staff, technical advisors, and national and provincial interest groups with similar research objectives. The Research Manager encourages coordination of priorities and funding allocations between agencies in alignment with the national beef research strategy.

To support current resources and manage the scope of projects undertaken within the Cluster, the BCRC staff includes a Science Director. Responsibilities include oversight of program development and administration, facilitating call for proposals or directed research requests, coordinating the review of research proposals including the BCRC's internal and peer review

process, tracking and monitoring research progress, working with the science advisory panel and the BCRC committee to aid in research program development, and leading the enhanced communication and technology transfer program.

To support the Technology Transfer & Knowledge Dissemination Strategy, the BCRC has a Beef Extension Coordinator. This role includes a comprehensive approach to communications with industry stakeholders and researchers through a dynamic website and other extension tools, and assisting researchers in incorporating effective technology transfer efforts into their research programs.

A Science Advisory Panel supports the research program development process within the Cluster to ensure the delivery of research plans that are directed towards industry's research objectives and achieve the outcomes desired by industry. The panel is comprised of industry, academic and governmental scientific expertise, all considered to be leaders in their field, broad thinkers, and committed to evolving beef research in Canada. The panel also assists with the technology transfer and knowledge dissemination process and identification of commercialization opportunities.

Stakeholder Engagement and Flexible Funding Process

The BCRC believes it is important to review and adjust research and technology development priorities to respond to future industry needs and as a result, conducts priority setting workshops on an ongoing basis. Input is obtained from all areas of industry, researchers, and funding organizations to ensure the industry and its stakeholders obtain the maximum benefit from research funded by the BCRC. Upon the determination of research priorities, the research program development process includes both direct program development, where researchers with expertise are directly engaged to develop proposals that address areas of priority identified by industry. Open calls for proposals are also solicited to plan cluster programming and where flexible or additional funding allows. More focused call for proposals can also be utilized to address specific issues or priorities where gaps are identified.

Quality Starts Here✓® – Verified Beef Production™

In addition to sponsoring research and technology development in support of the Canadian beef industry, in 2001 the Quality Starts Here✓® program was brought under the auspices of the BCRC. The Quality Starts Here✓® program further supports the industry's vision to have high quality Canadian beef products recognized as the most outstanding by Canadian and world customers. Bringing it under the auspices of the BCRC provides a practical means for efficient administration and access to development and implementation resources for the program. It also provides an appropriate forum for policy development to then be taken forward to the CCA Board.

The Verified Beef Production™ (VBP) program has a strong role within responsible food animal production. The VBP program is based on five elements, described as standard operating procedures in its Producer Manual (available at www.verifiedbeef.org). These elements are based on an internationally recognized approach to food safety called Hazard Analysis Critical Control Point (HACCP). Since its first technical review with the Canadian Food Inspection Agency in 2004, the procedures have been simplified into areas that include animal health management,

medicated feed and water, cattle shipping, pesticide control and manure, and training and communication.

Over the past years, VBP has been able to demonstrate program principles to various government departments as they consult with industry on enhancing the food safety continuum. This program shows other stakeholders that the cattle industry is a responsible sector and follows a program based in sound science.

Participation in VBP workshops as of June 2012 represented 38 per cent of cow-calf production and over 82 per cent of feedlot production in Canada. Using a weighted average, the percent of production from VBP trained operations is 67 per cent of production. The program is reaching a threshold of participation to augment use of VBP within Canadian Beef Advantage market promotions, with 18 per cent of production from Registered (audited) cattle operations.

VBP is exploring the addition of modules that industry may deem important in the future. This includes the potential for including biosecurity education in workshop training, and participating in the development of a draft environmental module. There have also been requests to include consideration for an animal care module once a Canadian Beef Code of Practice is finalized.

Moving forward, the key focus for the VBP program is to continue to increase producer participation. At the same time, program delivery still relies on government funding, which has diminished significantly. Industry is currently advocating for continued government support under Growing Forward II, understanding that consumers benefit from food safety and that support is required until a large enough threshold of producers is trained.

Conclusion

The BCRC has been challenged to implement a comprehensive research strategy which addresses multiple industry priorities while remaining fiscally prudent. The BCRC is committed to funding leading-edge research to position the Canadian beef cattle industry as a global leader in beef quality, animal health and welfare, food safety and environmental stewardship. Continued progress requires long-term research investments to ensure that our industry can respond and adapt to new issues and opportunities that arise.

Industry and government funding play a major role in ensuring that both applied and long-term, high-risk discovery research continues. The BCRC has made significant strides through the Beef Cattle Industry Science Cluster to develop collaborative research initiatives between industry and government that align applied research priorities and funding to ensure that key research outcomes are achieved. Significant effort is also focused on enhancing technology transfer and knowledge dissemination to ensure more immediate uptake of research results by industry.

Moving forward, continued effort and funding will be required by industry to ensure the development of comprehensive research programs aligned with industry's needs. Efforts will also need to be placed on demonstrating the value of long-term predictable research funding commitments from both government and industry to allow for more meaningful research outcomes and ensure continued commitment.