



SPIRITED VIEW

Baby gone with the bathwater

Refundable check-off option will hurt marketing and all producers



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Well, it looks like she is a done deal. All of us, at least in Alberta, will all have the opportunity to be \$3/head richer thanks in part to the provincial government's wisdom of striking down the mandatory beef check off. It is hard to believe that it has happened this fast and it got me thinking of the quote from Neil Armstrong — "One step forward for man, one giant leap for mankind," only this time I believe it is one giant leap backwards for our cattle industry. Now it is a matter of standing back and see how the chips fall.

With this statement I must certainly have you believing that I am condoning the actions of the Alberta Beef Producers (ABP). Definitely not! I think in some regards the so-called visionaries running the organization got exactly what they deserve. Especially when I see dollars squandered on projects like the, "Raised Right Campaign," that blew \$350,000 on a marketing campaign, targeted at some audience I haven't figured out is who yet.

That said, there is a lot to be proud of for having provincial-based grass roots beef organizations. I remember 10 years ago when I was working in Argentina how cattlemen in that country looked at us with envy for having organizations like ABP and Canadian Cattlemen's Association (CCA), which represent producer interests at both national



Young embryo bulls grazing on stockpiled forage in April.

and international levels and on top of that had funding to get something done. Now that the cat is out of the bag it will be interesting to see what funds will be left for ABP to function under. We all know that

the check-off is applied every time cattle trade hands. I can't confirm all the stats, but with the decrease in the cow herd and increased levels of retained ownership one would expect that ABP has already

seen an impact on gross receipts. Now add in the factor that the large feedlots can choose to retain the check-off that they have had to pay, and ABP may be a skeleton of the organization it used to be.

As much as many producers have had a distain for ABP and the check-off, the fact remains that not all the dollars wound up in the provincial cattle organization coffers. They also went on to fund marketing organizations like the Beef Information Centre (BIC) and Canadian Beef Export Federation (CBEF).

In any business marketing is always, and should always, be part of doing business. From the multinationals with major brand recognition like Coca Cola, to the local hardware stores, all spent significant resources to market their wares and to keep and increase their market share. Unfortunately too many in agriculture are still production focused and not market focused. The production focus causes you to look at production and costs. In my opinion it causes decisions to be made that cause long term detriment to your business because of loss of markets for your product. This is what I predict will happen with a refundable check-off.

A much wiser move would have been for a directable check-off, whereby the producer or the person paying the check-off can choose where they would like their dollars allocated. Why? Because backing off on the marketing, which has been partially funded by our check-offs, will hurt us all in the long run because of a reduction in demand for Canadian beef and a lack of dollars to help support those who use our beef (retail and foodservice). Now instead of the industry deciding where and how to allocate funds in marketing, it will be the government that will have to step up to the plate. They will decide for us. It is funny how we want less government in our businesses, and yet our decisions and apathy of addressing key industry issues, like this, put us in predicaments where government will have even greater say in how we run our businesses. In this case the push for a refundable check-off is like throwing the baby out with bathwater. We had something good, although not perfect, and in the end we may have nothing — but then maybe it's just me. ✍️

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