



SPIRITED VIEW

Make a little noise

We can't just wait for someone else to fix things



CHRISTOPH WEDER

Two sayings come to mind as I write and envision the message for this column — “God helps those who help themselves” and “the squeaky wheel gets the grease.” Not wanting to jump on the band wagon of how poor cattle prices are, I want to make you all realize that you all have an influence on what goes on in this business.

A couple of weeks back, I spoke at a conference in Red Deer about the, “Romance and Reality of Branded Beef.” The talk aimed to lay out the realities and dispel the myth that not all the streets in the beef industry are paved with gold. In fact, the journey is a long and hard one with no simple solutions. This said, I had lunch with an old colleague who still works full time and who ranches on the side. During our heated lunch discussion all he could do was bitch and gripe about the state of the industry and point fingers saying everyone other than himself was at fault. First, I do agree things are not too rosy, but I also know when you point one finger at someone else there are always three fingers pointing back at you, and that we all must take responsibility for our businesses and industry.

My friend's main attacks were of course pointed at the packers and if you spoke to the packers they would point fingers at the retailers. I often joke the Canadian beef industry is more dysfunctional than a guest family on the *Jerry Springer* show!!! The cow/calf sector blames the feedlots, the feedlots blame the packers, and the packers blame the retailers and on and on it goes. I suggested to my friend some of my insights, to which he replied, “we are watching what you are doing and you don't seem to be getting ahead either.” To which I replied, “Rome was not built in a day and relationships take time to cultivate.”

It seems the whole beef business is looking for a silver bullet and for a quick fix, but the reality is there is none. Simply building a packing plant will not guarantee success either, if you cannot sell your beef and cash flow your business.

Changing this business starts by us all making a little noise and taking responsibility for its future. Where can it start? As close as your local grocery store.

Up here in the Peace we have a regional grocer that likes to call themselves “Our Home Town Advantage” and that we should support them by buying local instead of shopping at the national grocers like Save on Foods, Superstore or Safeway. To this, I would like to ask “are they supporting/buying local and if they are how much of the retail pie are they willing to share?”

Truth be told, if I look at the buy price — what they pay for — beef and compare it to their sell price, many retailers have margins that approach 50 per cent on certain beef items! Worse yet, they make those margins on product that they own for less than three or four days and on terms that are sometimes greater than 60 days.

Rimbey, Alberta Rancher Ian Aitken had a cull cow custom-

processed to highlight the inequity of profit distribution in the beef production chain. The cow that would only have brought \$340 at auction yielded \$1,233 of hamburger and stew meat when valued at local store prices. Although cull cows are older animals being removed from the breeding herd, they provide a crucial source of income for producers, and used to regularly bring \$700 or more at auction. “Producers are selling cull cows at record low prices yet retail stores claim they use the beef as a loss leader and the beef packers claim they lose money processing cows — we need an inquiry to discover the truth” stated Aitken. “The Canadian retail price of hamburger today is around \$2.75/lb., up from the \$1.75/lb. it was 10 years ago. In those 10 years, however, the price of cull cows at auction has halved — clearly something is wrong.”

Great job Ian for bringing this to the media's attention!

On another level, Loblaws/Superstore is running a national beef program called PC Naturally... an Angus, no hormone/no antibiotic product, you would think at first glance it comes from Canadian ranchers, but in fact comes from the U.S. Why? Because it's cheaper even though Canadian product would be available if they looked.

So I ask Galen Weston (executive chairman of Loblaws), where's your buy Canadian attitude? Ironic how our industry gets slapped with country-of-origin labelling (COOL) in the U.S., which helps discriminate Canadian beef, and we had more than 103,000 tonnes of U.S. beef entering the country as of November 7, which most consumer's think is Canadian. Maybe we need COOL in Canada? Further to the retailers, where are the restau-



PHOTO BY CHRISTOPH WEDER

Ask local retailers and restaurants if meat products in display cases and on menus is really Canadian beef.

rants we eat at getting their beef? Many will say on the menu that it is AAA Alberta Beef. If that's the case get them to show you the box, because there are many, many restaurants using the same smoke and mirror tactics as the retailers.

So if you want some change, start making a little noise and make the retailers accountable! For your reference and knowledge I will post the weekly prices that packers are

receiving for some of the retail related cuts on our website so that you can compare for yourself their margins. I will also include some contact numbers of these retailers and their head offices to make the squeaking a little easier. ✍

Dr. Christoph E. Weder is a purebred Angus breeder in the Peace region of Alberta and also runs SVR Ranch Consulting. He is also a founding member of Prairie Heritage Beef Producers For additional info check out www.spiritviewranch.com

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