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From the Chair *By Florence Henning*

During the week of June 26th, the Federal, Provincial and Territorial Agricultural Ministers met in St. John's, Newfoundland. The CSF took this opportunity to have a semi-annual Board meeting and co-host the Ministers' opening evening wine and cheese.

Co-hosting this event gave the Board of Directors an opportunity to meet with their Ministers' of Agriculture, including Minister Strahl, to discuss in an informal environment, issues currently facing the Canadian sheep industry. Specifically, we focused on getting the border open for breeding stock, the proposed changes to the Blue Tongue regulations and our need to have sheep included in the USDA's Second Rule. Overall, the Board found this to be a successful evening.

During the semi-annual meeting, the CSF Board also had the opportunity to discuss the proposed changes to Canada's Bluetongue Policy, which was officially announced by the CFIA on July 10, 2006 (see page 3).

The June edition of *From the Flock* had a detailed article on the proposed changes. The article indicated that the CSF understood that the resumption of normal trade relations with the US is being hampered by the current BT policy. However, the problem for the sheep industry is that if Canada is no longer BT-free, we run the risk (since we cannot predict, with any certainty how our trading partners will react) of losing access to international markets. Over 30 countries have approached Canada indicating that they are interested in our breeding stock.

The CFIA has heard our concern and is currently renegotiating export certificates with countries that sheep producers trade with. These countries include Mexico, Chile, Uruguay, Columbia, Brazil, Ukraine, Turkey, and Ireland as well as some European Union countries. The goal is to work with the government, so that the changes to the BT policy do not interfere with our ability to trade with these countries.

In terms of compensating producers who have BT diagnosed in their flocks, the Canadian Cattlemen's Association (CCA) is proposing an indemnity fund which they are willing to establish. The CSF has had some preliminary discussions with both the CCA and the CFIA about this fund and will keep you posted as the details become finalized.

BSE and the Border

By Jennifer Fleming, Executive Director

When the first case of Bovine Spongiform Encephalopathy was diagnosed in Canada, the border immediately closed to all ruminants. While it seemed appropriate to group sheep, goats and cattle together when closing the border, the same cannot be said when re-opening the border. The most recent example of this is the *Revised BSE Measures for U.S. Imports*, which the Canadian Food Inspection Agency (CFIA) announced on June 29th.

The news release, which can be read in its entirety on page 4, states that “Effective immediately, all classes of U.S. cattle, including those for breeding purposes born after 1999, are eligible for entry based on prescribed certification requirements.” The revised import regulations **do not** include small ruminants.

At some point a decision was made by the CFIA to separate sheep from cattle in the import regulations. While Canadian officials have moved forward with the cattle import regulations, the Canadian sheep industry has been lobbying and waiting for the small ruminant import regulations to start moving forward. And, Canadian sheep producers have been suffering.

There were two reasons for separating small ruminants from cattle when developing new import policies. The first one was because the goal of the CFIA was to ensure that Canadian import policies were in line with OIE policies and, since the OIE has separated small ruminants from cattle, so too did the CFIA. The second reason was because our scrapie surveillance program had to be in place before releasing a new import policy for small ruminants.

In 2004, the CFIA approached the CSF to begin consultations with respect to changing the import regulations for sheep. These changes were endorsed by the CSF with the understanding that they would demonstrate our commitment to trade issues being based on science. The new regulations would recognize low risk animals from scrapie flock certification programs and animals from lines genetically less susceptible to scrapie. This is a sound scientific approach to the issue of small ruminant imports, and one that is followed in much of the rest of the world.

This situation is, understandably, frustrating for the sheep industry. While we are supportive of any effort to resume trade with the United States, the Canadian purebred sheep industry has been hardest hit with the closure of the border.

There is good news though. This past June, the CSF was given indications from the CFIA that the TSE import policy for small ruminants is going to be released for consultation shortly. And, that it is the goal of the government, to seek to normalize trade as soon as possible. **Continued on Page 3**

BSE & BORDER CON'T

What can be imported?

Currently, feeder sheep and goats are permitted to be imported from the U.S. and while the imports for feeder animals do have requirements for bluetongue, changes have been made to these (see page 3). The Health of Animals Act also specifies that CSIP tags do not need to be applied to animals being imported for immediate slaughter. If, however, these animals will be in the country for 7 days, or longer, tags do need to be applied either before importation or as soon as the animal reaches its initial destination.

**FOR MORE INFORMATION REGARDING
CHANGES TO CANADA'S
BLUETONGUE POLICY
PLEASE CONTACT:**

**Canadian Food Inspection
Agency
Media relations
(613) 228-6682**

Changes to Canada's Bluetongue Policy

OTTAWA, July 10, 2006 – The Canadian Food Inspection Agency (CFIA) has revised its import policy, based on an updated scientific risk analysis, to eliminate current bluetongue-related control measures for cattle, sheep and other ruminants imported from the United States.

Bluetongue can affect wild and domestic ruminant animals but does not pose any human health risk. CFIA animal health experts have determined that the potential for bluetongue to spread in Canada, both in livestock and wildlife, is very limited. The insect that spreads the disease is not present in eastern Canada and has been shown to have a poor capacity to spread the disease in western Canada. Furthermore, climatic conditions limit potential transmission to only a short period each year, within a restricted geographic region.

As a precaution, the CFIA will enhance its bluetongue surveillance, moving from triennial to annual monitoring. This activity, coupled with ongoing research and risk assessments, is intended to provide ongoing confirmation that risks to Canadian livestock and wildlife remain very low.

The CFIA's import controls are designed to effectively mitigate the risks posed by foreign animal diseases. These measures are reviewed periodically to ensure that they reflect the most current scientific information, remain effective and do not impose unwarranted trade restrictions. In line with this approach, Canada has reviewed and revised its bluetongue import controls for animals from the United States several times as more has been learned about the disease and the relevant risk factors present in Canada.

Changes to the policy were developed in consultation with a range of stakeholders, including provincial governments, animal health experts and industry. Regulatory processes needed to bring the revised policy into effect will be completed in the coming months. In the interim, the CFIA will continue to work closely with implicated sectors, particularly breeding animals and livestock genetics, to develop strategies aimed at engaging trading partners and maintaining current market access.

Revised BSE Measures for U.S. Imports

OTTAWA, June 29, 2006 - Canada is opening its border to a broader range of animals and animal products from the United States, which were suspended following the confirmation of bovine spongiform encephalopathy (BSE) in Washington State in 2003.

Effective immediately, all classes of U.S. cattle, including those for breeding purposes born after 1999, are eligible for entry based on prescribed certification requirements. As well, beef from cattle over 30 months of age will also be eligible for importation under certain conditions.

"Canada's import controls continue to provide the highest levels of public and animal health protection," said Agriculture and Agri-Food Minister Chuck Strahl. "At the same time, Canada's new government is moving closer to re-integrating the North American cattle market, in accordance with international standards."

The scope of the prohibitions has been narrowed several times, based on the safeguards implemented in both Canada and the United States, and the most current understanding of BSE available. This approach is science-based and moves Canada and the United States closer to fully normalizing trade within the North American cattle market.

Prohibitions on certain U.S. commodities are being maintained to prevent the importation of high-risk products, such as specified risk materials (SRM) or products containing these materials. SRM are those tissues known to have the potential to harbour BSE infectivity. These import controls provide continued protection of human and animal health from BSE and are reflective of the most recent international standards for BSE of the World Organization for Animal Health.

As a general practice, Canada's animal health import restrictions are reviewed on an ongoing basis to ensure they reflect the most current scientific information, remain effective and do not impose unwarranted trade barriers. In the context of BSE, import controls are one component of a suite of safeguards that protects human and animal health from BSE. Other measures include feed controls, surveillance testing and the removal of high-risk tissues from all animals slaughtered for human consumption.

GLOBAL ORGANIC MEAT SUPPLIES TIGHTENS

Soaring demand for organic meats is causing global supply to tighten. A number of regions are reporting undersupply due to organic meat production not keeping pace with demand, according to Organic Monitor.

The most adversely affected region is North America where supply has been unable to meet demand since the U.S. Department of Agriculture (USDA) implemented the National Organic Program (NOP) in 2002. Organic meat products have been imported into the United States from Latin America, Australasia, and Canada. Imports are increasing at a fast rate with the volume of non-U.S. organic pork doubling in 2005 alone.

Western Europe is also experiencing acute supply shortages. Organic meat supply has not kept pace with demand with a number of countries reporting undersupply this year. The organic beef and pork segments are the most adversely affected with prices rising across Europe. Danish Crown, the largest producer of organic pork, has reported a 36 percent price rise compared to last year. Facing high demand, British retailers have started offering fixed contracts to organic meat producers to secure supply. Sainsbury's and Tesco are giving meat producers contracts that guarantee fixed prices over five years. Although the initiatives are gaining acceptance by organic farmers, imports will continue to play an important role because of low domestic production levels. As in the United States, organic meats are imported from a number of countries into the United Kingdom.

Organic meat supply is also tightening in regions such as Latin America and Oceania. Countries such as Brazil and Australia have export-gearred meat industries with organic meats playing an increasingly important role. Friboi -- a leading Brazilian producer of organic beef -- is expecting export sales to triple this year. High global demand is leading new organic meat producers to spring up in countries such as Chile and Nicaragua.

With demand for organic foods continuing to strengthen across the globe, organic meat supply shortages are expected to continue in the foreseeable future. Production will continue to lag behind demand in most countries because of the conversion period for organic products.

Organic Monitor said that some exporters will find it difficult to meet supply gaps because of the differences in organic standards between regions. For instance, USDA standards for organic meat products differ from those of the European Union. Trade liberalization may be removing tariff barriers. However, standards are becoming the major impediment to free trade in the global organic food industry.

On-Farm Food Safety Update

By France Lanthier, National Coordinator On-Farm Food Safety

From July 25th to 27th the Canadian Sheep Federation's On-Farm Food Safety (OFFS) Technical Committee had the opportunity to meet in St. John's Newfoundland. The meeting was held in conjunction with the CSF's semi-annual Board of Directors meeting. Two major topics were on the OFFS Technical Committee's agenda: Development of an OFFS program management system and the On-Farm Implementation (OFI) funding.

Management System Development

The development and implementation of a management system is an integral part of the CFIA's On-Farm Food Safety Recognition Program. As mentioned in previous issues of From the Flock, the CSF has received a Letter of Technical Review for the Food-Safe Farm Practices Program. This signifies that our program meets the technical requirements that CFIA has established for all the national food safety programs. Other than complying with requirements, a management system is essential to assure consistent program delivery, implementation, and validation across the country. This will also assure that all the services and resources (trained personnel, funding) that are needed for producers and producer organizations to implement the program have been assessed and are understood.

Four components interact within the management system:

System Component	Description
1. General Management	Deals with how the CSF will manage: <ul style="list-style-type: none">• Keeping all documents up to date and communicating changes• Roles and responsibilities – who can provide training and certification• Funding and human resources• How will complaints or conflicts of interest be handled (should they arise)• Internal audits – how will the CSF assure that updates are implemented, complaints addressed and that the program is being delivered with consistency and audited fairly
2. Technical	Deals with how the CSF: <ul style="list-style-type: none">• Maintains its HACCP model – assesses food safety risks and devises methods to monitor and/or control them• Manages and updates the producer manual• Facilitates producer implementation of the producer manual
3. Conformance	<ul style="list-style-type: none">• Deals with how producer conformance to the technical component will be handled.• Will describe how program certification is achieved and what will be required to maintain certification (audit frequency)
4. Auditor Training	Deals with how auditor qualifications and performance will be assessed. <ul style="list-style-type: none">• This is to assure that audits are performed by auditors who understand the requirements and objectives of Food-Safe Farm Practices program, and also to assure that audits are performed effectively and consistently in each province.

JAPAN'S LOVE AFFAIR WITH LAMB CONTINUES TO BLOOM

Australian lamb exports to Japan look certain to exceed the record 12,500 tonnes forecast for 2006, due to the rocketing popularity of lamb in Japan.

Australian lamb has ridden high on the wave of this boom, doubling exports to Japan since 2003.

A key driver of the lamb craze is the increasing numbers of Genghis Khan restaurants throughout the nation (a traditional barbecue from Hokkaido, Japan's northernmost island).

Sapporo Bier Garten – a mecca for Genghis Khan – has been spreading the message to its many visitors that Aussie Lamb is delicious.

Last weekend, Meat and Livestock Australia and the Australian consular office in Sapporo showed their gratitude at the famous beer garden's 40th anniversary, presenting a certificate of appreciation and Aussie Lamb poster panels.

An estimated 600 people participated in the two-day event.

Australia exported 1391t of lamb to Japan this June – only 3pc lower than the record for June set last year.

MLA reports there has been a good response from the trade to the strong demand from Japanese consumers.

Calendar year to June exports were 40pc higher than 2005 at 7584t.

Around two-thirds of which was chilled (4928t) - up 45pc on last year and over four times the volume exported in the calendar year to June 2000.

SOURCE: [Meat and Livestock Australia](#).

ON-FARM FOOD SAFETY UPDATE con't

Essentially the management system will allow the CSF and producer organizations to answer questions such as:

- What do we do when there are training request?
- What do we do if a producer wants to get certified?
- How do we train people to deliver the program and how do we select auditors?
- Which services are we able to provide and which ones must be contracted out?
- What is an appropriate on-farm audit frequency to assure program compliance?

The management system will also assure that turnover in the CSF or in producer organization personnel does not affect the functioning of the program, that is all the forms and requirements will be in place thus facilitating the training of new personnel.

On-Farm Implementation Funding

The On-Farm Implementation (OFI) funding is the Agriculture and Agri-Food Canada (AAFC) funding opportunity through which National Producer Organizations (NPO) who have achieved technical recognition for their HACCP model and producer manual can access funds for producer training workshops. The NPO can access up to three times \$100/producer to provide training. This means that producers can now attend three training sessions. This will allow us to potentially restructure out training in 3 phases: introduction to HACCP and On-Farm Food Safety, On-Farm Implementation, and a follow-up session where producers could discuss challenges and obtain assistance. This application also includes up to \$750 (50:50 cost shared between AAFC and producers) for producers to purchase specialized equipment to implement an on-farm food safety program. In order to access funds to provide training, the NPO must demonstrate that there is an achievable training plan in place. In order to access the equipment funds, producers must have participated in a training session. The OFI funding is available until March 2008. Thus far, almost all the producer training has been provided by the CSF. While the CSF is willing to continue to provide training, this is not an effective method of delivery considering the time restraints of the OFI funding and the number of producers left to train in that timeframe (see Table I). In order to give access to training to all Canadian producers in a timely fashion the CSF is currently providing the following training opportunities:

- Producer training delivered by the National Coordinator
- Online training at <http://fsfp.cansheep.ca>

On-Farm Food Safety Con't

A CD-ROM version of the online training, for producers who are comfortable with using a computer but do not have high-speed internet, is currently being discussed as well as a take home booklet version. While these training opportunities partially address the potential training demand, a gap remains in our industries capacity to provide in-class type training. A recent poll of sheep producer organizations showed that this method of training is the preferred method for producers. In order to provide this type of training the CSF is looking into two options:

- Train individuals from producer organizations
- Outsource the training to a third party training organization

Table 1. Canadian Sheep and Lamb Food-Safe Farm Practices Training by Province as of July 2006.

Province	Approx. # of Producers	# Trained	Training Sessions Needed (20 people/session)
NL	120	18	5
NS	300	0	15
NB	100	15	4
PEI	50	10	2
QC	1200	0	60
ON	4200	61	207
MB	670	12	33
SK	1300	95	60
AB	2400	22	119
BC	1870	58	91
Total	12210	291	596

With the funding available from OFI money will be available to pay a trainer, whether the trainer is from a provincial producer organization or a training organization. In order to qualify to provide training, the organization will have to demonstrate that they have a training communication plan in place, as well as individuals qualified to provide the training in place as well. The goal is to provide access to training to all producers in as timely a fashion as possible.

SASKATCHEWAN FIGHTS ANTHRAX OUTBREAK

With 113 suspected cases on top of 76 confirmed deaths of cattle due to anthrax, the Canadian province of Saskatchewan is fighting its worst outbreak of the disease in decades, according to Canada's *National Post*.

Some veterinarians have reported running out of vaccine, and the Canadian Food Inspection Agency is freeing thousands of doses from its emergency supplies. Thousands more are due by the end of the week from a Calgary, Alberta, distribution center.

Veterinary authorities believe the outbreak resulted from heavy rains and flooding in areas of Saskatchewan, near the small town of Melfort, earlier this year, and that bacteria from dead bison that had been buried in the area may have been spread to pastureland by the flooding.

Farmers are spraying dead cattle with formaldehyde and burning, then burying the corpses to contain the disease.

Source: www.meatingplace.com/MembersOnly/webNews/details.aspx?item=16223

Blackouts and BSE

CONSUMER EDUCATION: PROVIDING OPPORTUNITIES IN CRISIS

By Lianne Appleby, OCA Communications Manager

It's very hard to get from Lakeshore Boulevard in Burlington to a ball diamond in Heidelberg when all the traffic lights are out. In fact, what usually takes just over an hour takes exactly 2 hours and 57 minutes because you have to account for the fact that people forget the four-way stop rule and how to interpret the hand signals of a traffic officer.

But that's how I spent my time immediately after 4:20pm on August 14, 2003 when the biggest blackout in Ontario history hit the province. Like thousands of others in the affected areas, I quickly realized how dependent I was on electricity. And quite frankly, it was a little daunting. Now, bear with me and take a second to think about how much *you* knew about Ontario's power grid before that date. Did you know anything about [competition and reliability in North American energy markets](#)? Maybe. Did you know the names Spencer Abraham (U.S. Secretary of Energy) or The Honourable Herb Dhaliwal, Canada's former Minister of Natural Resources? Probably not.

But chances are, after that date, you saw them a lot. That's because these two men were in the relevant positions of authority when the lights went out. They became Co-Chairs of the "Canada-US Joint Task Force on the Power Outage", and announced the Canadian and American members of the three Working Groups that would support that Task Force. After all, when the blackout occurred and 50 million people lost power, we all wanted answers about how it happened. If power generation isn't your business, you probably don't give it a second thought. Well, not until (if you're like me) it's not there to help you in something as simple as getting from A to B. But, if power generation *was* your business three years ago, it was suddenly a very good time to teach the public what they didn't know about "The Grid".

The thing is, whatever industry you're in, it's not easy to step back and think outside the box – to think like an outsider. For example, have you ever wondered what you would think about cattle production if you had lived your entire life in a condominium on the Toronto waterfront? Likely not.

Just like I didn't think much beyond the light switch before the blackout, most consumers don't think much beyond the grocery store. We know this. They assume that what they are buying is healthy, safe, and nutritious – and in most cases, they want to know that the product was raised in a welfare-friendly manner. Beyond that, what consumers need or want to know takes a dramatic dip. That's in peace time.

But we all know what happened on May 20, 2003. That's when the phones began to ring off the hook here at OCA. August 14, 2003 to Ontario and US energy suppliers is comparable to the Canadian cattle industry's May 20, 2003. Something that wasn't on the radar screen for most people suddenly became a "need to know" topic. During the blackout, faith had been compromised and power suppliers were at the point of trying to build it back up.

Enter consumer education. Perhaps, if I had had a better idea of just how easily over-consumption could cause a power grid to crash, I would have felt less overwhelmed during the blackout.

BLACKOUTS AND BSE CON'T

Likewise, during BSE, perhaps the media frenzy would have been less chaotic if consumers knew a little more about beef production and the safeguards in place to protect food safety. The beef industry *reacted* to the sudden demand for information on how cattle is raised, what safeguards are in place to protect the public from Bovine Spongiform Encephalopathy, and even our traceability systems. Regrettably, in this day and age, an industry should not be reacting to anything if consumer confidence is to be maintained.

You have probably noticed a recent upswing in the number of television and radio advertisements which directly relate to energy conservation. They encourage the public to limit use of high-wattage appliances or to use them after 8pm – when demand is not at its peak. Those commercials are a product of the 2003 blackout and a pre-emptive measure to help prevent it from happening again. Another initiative: six of Ontario's largest local electricity distribution companies are working cooperatively under the name "powerWISE" to deliver a major, multi-year, initiative designed to promote energy conservation to consumers and reduce the demand for electricity in their respective service areas. That campaign was already in the works before the blackout, but August 2003 just underlined its value.

While as an industry we know and understand that *some* consumers don't want to know anything more about where their food comes from, we continue to see great turn outs at fall fairs and similar events where agriculture is profiled. It would be ideal if the beef industry could use the mediums of television or radio to educate so-called "captive audiences" – but that is costly. So, our next best option is to continue our presence at fall fairs and trade shows and to answer consumer questions directly. Luckily, we have at our disposal educational organizations such as Ontario Agri-food Education Inc., the Ontario Farm Animal Council and local county cattlemen's associations because consumer education helps to build the two things we can't afford to lose – consumer confidence and our reputation.

The Chinese word for crisis is **wei ji** and contains elements of the two words – *wei xian* (danger) and *ji huay* (opportunity). The Chinese came to understand, over many hundreds of years, that the two situations are one and the same thing. It is up to the person or organization in the middle of the situation to choose what the circumstances will mean to them.

Any type of crisis brings about unwanted public attention and when that happens, operating an organization is like living in a fish bowl. We know that from the BSE experience. Transparency of our sector, now more than ever, is crucial. The next crisis - be it Foot and Mouth Disease, a nuclear leak, or a severe drought - could be two months away, or ten years down the road.

Our *ji huay* as an industry is the 30,000 students and their teachers and parents who visit the Royal Agricultural Winter Fair each year; it's the distribution list of Readers Digest, people who receive the Beef Information Centre's brochures on the health aspects of beef; it's the urbanite who retired to the property across the road and wants to buy some of your freezer beef...the list goes on. The opportunities are there. Let's take them.

The year 2003 was a turning point for the energy industry and the beef industry. Both sectors learned a lot about public confidence and the need to educate. While it's easy to believe that a crisis will always be detrimental to an organization's reputation, proper public awareness coupled with efficient management of a situation *can* leave the public with a favourable impression and renewed confidence in the industry.

The alternative doesn't bear thinking about.

SCRAPIE SPREAD DEPENDS A LOT ON LAMBING PRACTICES

By **Stephanie Corbin**, *Agri News staff writer*

ST. PAUL -- The spread of scrapie in a flock depends on lambing practices. Dee Heezen from the U.S. Department of Agriculture's Animal and Plant Health Inspection Service in veterinary science told sheep producers that at a recent Minnesota Farm Bureau Summer Sheep Tour. Scrapie is a concern for sheep producers and was one of the main topics of the day. The disease is degenerative and affects the central nervous centers of sheep and goats.

"Usually anything that was infected was generally infected as a baby," Heezen said. Several activities centered around scrapie, including Heezen showing how the lab collects tissue samples from animals that are euthanized and collecting a tissue sample from a sheep's third eyelid, which is the only way to test a live animal for scrapie. Heezen collected the brain stem, cerebellum, two lymph nodes and two tonsils from the head of a ewe. The ewe was one of a flock of 20 ewes from a producer in Sibley County. The Sibley County producer bought all 20 ewes from another producer in 2002. He had them for four years and during that time, the previous owner had one sheep test positive for scrapie. Producers can have genetic testing done on a flock to determine if the sheep are resistant or susceptible to scrapie. The Sibley County producer had his flock genetically tested and 17 ewes tested susceptible to the disease, Heezen said. One died before being euthanized. The heads of the ewes were sent to the diagnostic lab at the University of Minnesota to have tissue samples collected and those samples were sent to a lab in Ames, Iowa, for analyzing. Heezen said it takes about three years for sheep to show signs of the disease after contracting it.

"Lambing spreads the disease through the placenta", he said. The easiest way to stop the spread of the disease in a flock is to disinfect the lambing areas. Heezen recommends using bleach. No study has been done to determine the surfaces the bacteria lives the longest on, Heezen said. Contamination isn't known to spread from feces. One producer at the event said he had a ewe that was positive for scrapie, but it never spread to the rest of his flock because that ewe was always the last to lamb each year for the five years she lambed on his farm. Eyelid testing was determined about three years ago to be an acceptable test for scrapie in live animals, Heezen said. Labs tested the third eyelid in dead animals and the ones that tested positive in the other tissues also tested positive in the third eyelid. Producers also learned how to draw blood. Cindy Wolf with the University of Minnesota volunteered her own sheep as the animals getting their blood drawn. Wolf let the producers draw blood from the sheep from her farm, which was then put on cards from the USDA. Those cards will be sent to USDA for genetic testing to determine if the animals are susceptible to scrapie.

Major Initiative to Develop New Zealand's Wool Industry

A FARMER with interests in the Gisborne region is part of a major initiative to develop New Zealand's \$1 billion wool industry. Meat and Wool New Zealand deputy chairman Mike Petersen is a director of the Pakarae Whangara B5 Maori farming partnership north of Gisborne and has other farming interests in the region. Based in Waipukurau, he is also a director of the New Zealand Meat Board and the chairman of the Wool Research Organisation of New Zealand.

He is one of the board of directors of the Canterbury-based Wool Industry Network announced this week. The Network is a major initiative to develop a market-led fresh approach to New Zealand's \$1 billion wool industry. Mr Petersen has been chairing a steering committee, which had the role to find and appoint the board of directors and a chief executive. "All of these roles are crucial for the success of the Wool Industry Network. Given that the network is funded by farmer levy payers and government, and our desire to work closely with industry we were looking for special skill sets.

"We wanted a small and dynamic board. We wanted people who have a passion about New Zealand and who know the export sector. We wanted people who have governance experience, people who have vision and people who have competent management skills. "I am confident that we have found these skill sets in those we are appointing today," he said. Professional director and former national president of the Institute of Chartered Accountants, Sue Sheldon, will head the network. She is also a director of Freightways, CanWest MediaWorks, Smiths City Group and a number of other companies.

Meat and Wool New Zealand is committing \$3.2 million to the network over the next three years and New Zealand Trade and Enterprise, through its Major Regional Initiatives Programme (MRI) is providing a total of \$2 million over three years. Effectively, the network will run as a consortium of funding agencies from the wool production, supply and processing sectors as well as the key wool service sector providers. It will create and oversee cluster projects, each with specific outcomes. The other directors of the network will be Stuart Nattrass, John Perriam, Keith Sutton and Mr Petersen.

Stuart Nattrass has an extensive background in international financial markets and foreign exchange risk management and is involved in farming. He has a Bachelor of Agricultural Science with honours from Lincoln University. Stuart currently sits on a number of agri-business boards.

John Perriam farms Bendigo Station and chaired Merino NZ throughout its formative years until 2001. He gained national and international media attention with his hermit shaggy Merino Shrek, who he has now turned into a New Zealand charity icon. In 1993 John established an international vertically integrated wool growing partnership. John received a Queen's honour in 2001 when he was appointed a Member of the New Zealand Order of Merit for his services to the wool industry. More recently he has established one of Central Otago's leading winegrowing sub regions at Bendigo, and has become a mentor for the Ice House aimed at growing small and medium size businesses in New Zealand.

Keith Sutton's background is in investment banking, corporate finance, and strategic decision-making. Keith has both farming and forestry interests and has a BA in economics and accountancy. He is also a director of the Animal Health Board, Sealord and a number of other companies.

Source: www.gisborneherald.co.nz/article.asp?aid=5579&iid=453&sud=48

Calgary, Alberta, July 17, 2006 - The Honourable Chuck Strahl, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board today announced \$11 million in funding initiatives designed to ensure farmers and rural communities have opportunities to participate in and benefit from increased Canadian biofuels production. The Biofuels Opportunities for Producers Initiative (BOPI) provides \$10 million dollars, this fiscal year, to help agricultural producers develop sound business proposals, as well as undertake feasibility or other studies to support the creation and expansion of the biofuel production capacity. The industry councils in each province and territory that administer AAFC's Advancing Canadian Agriculture and Agri-Food (ACAAF) will be invited to deliver this new federal funding.

"Canada's new government wants to ensure that farmers and rural communities are ready to take advantage of the opportunities that will be created by our biofuels strategy," said Minister Strahl. "These initiatives will not only help provide new opportunities to farmers, they will also help lay the foundation for Canada's biofuels strategy. We expect to be announcing decisions on this biofuels strategy this fall."

The new government is also supporting biofuels opportunities through a one-time \$1 million dollar addition to the existing Co-operative Development Initiative (CDI). This funding will provide support to individuals, groups and communities wishing to develop cooperatives as a way to take advantage of opportunities associated with biofuels and other value-added activities. These initiatives flow from the 2006 Budget, where the Government of Canada invested an additional \$1.5 billion to ensure prosperity and growth in Canada's agriculture sector, which tripled original commitments to the agriculture sector.

BIOFUELS OPPORTUNITIES FOR PRODUCERS INITIATIVE

The Government of Canada is committed to requiring, nationally, five percent average renewable fuel content in transport fuel by 2010. Environment Canada is leading the development of the overall strategy to implement the goal, with support from Natural Resources Canada and Agriculture and Agri-Food Canada (AAFC). AAFC wants to ensure that the five percent target is implemented in ways that result in the greatest possible benefit to the agriculture sector, including ownership of biofuels production facilities by agricultural producers.

Assistance Available Through the Biofuels Opportunities for Producers Initiative

New federal funding of \$10 million will be available in fiscal year 2006/2007 through the Biofuels Opportunities for Producers Initiative. Funding will be provided for agricultural producers in the following key areas:

1. hiring technical, financial, and business planning advisors to assist in developing sound business proposals;
2. undertaking feasibility and other studies to support the creation and expansion of biofuels production capacity with significant ownership by agricultural producers;
3. investigating the pre-commercialization of biofuels related research; and
4. gathering information to help identify opportunities and provide the necessary input to generate industry involvement in biofuels capacity building.

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Individual project funding will be capped at \$300,000 and at least 25% of the project cost must be provided by the industry applicant.

Opportunities for greater involvement in biofuels production facilities will allow agricultural producers to become participants in the value chain and increase their share of the benefits from renewable fuels production beyond delivering feedstock.

Advancing Canadian Agriculture and Agri-Food Council Delivery of the Biofuels Opportunities for Producers Initiative

The industry councils in each province/territory administering AAFC's Advancing Canadian Agriculture and Agri-Food (ACAAF) Program will be invited to deliver this new funding for projects under the Biofuels Opportunities for Producers Initiative. The councils are suited for this expanded role as it is consistent with their mandate to position the sector at the leading edge to seize new opportunities. Further details on how to apply for assistance under Biofuels Opportunities for Producers Initiative will be available shortly. For more information on the Biofuels Opportunities for Producers Initiative, the ACAA program and the councils, please visit the ACAA website at www.agr.gc.ca/acaaf.

Co-operative Development Initiative

The Biofuels Opportunities for Producers Initiative is complemented by an additional \$1 million investment to the existing Co-operative Development Initiative (CDI) for 2006-2007, to support biofuels capacity, as well as other value-added opportunities in the agricultural sector.

The CDI is designed to help Canadians develop co-ops, conduct research and test innovative ways of using the co-operative model to take advantage of opportunities and challenges facing their communities. The Government of Canada believes the co-operative model is a useful tool that can empower farmers to participate in value-added initiatives such as biofuels. Some biofuels projects in Canada are already being developed as co-operatives, while a majority number of U.S. biofuel facilities are farmer-owned co-operatives.

This additional funding will allow the Co-operatives Secretariat within AAFC to partner with the co-operative sector to provide specialized and expert assistance to farmers, groups and communities that wish to explore using the co-operative model as a way to participate in value-added opportunities such as biofuels.

Co-operatives are jointly owned enterprises formed by people coming together to meet their needs. They are based on ethical values and principles including self-help, democracy, equality, and concern for community. The 9,200 co-operatives in Canada engage 70,000 volunteers and employ 155,000 people. They empower individuals, and encourage healthier and stronger communities by enabling people to pool their resources, share risks and achieve common goals.



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