

Reporting on CSF Value Chain Round Table

CSF hosted its third Value Chain Round Table (VCRT) meeting on November 2nd in Calgary, Alberta. Strategically held the day before the Annual General Meeting, a number of stakeholders from across the industry participated in the day-long session that included presentations and discussion.

Throughout the proceedings, speakers and presenters shared strategies and ideas on how the Canadian sheep industry could meet the challenges it faces and take advantage of increasing consumer demand.

Over the past 6 years, Canada's sheep flock has decreased by over 100,000 breeding ewes. This decrease in production is not just a Canadian phenomenon; every major lamb-producing country, including New Zealand and Australia, are seeing national flocks contract. This has resulted in a decline in the volume of lamb available to Canadian consumers – at a time when the demand is increasing. Despite the decrease in the amount of available lamb, demand for lamb in Canada has increased by more than 30% over the last decade.

The first area that the VCRT identified as a means to increasing flocks is extension services. There are many questions on the right and wrong way to grow a flock and the industry needs guidance. Tony Stolz, Project Coordinator on the RFID Pilot Project, noted in his presentation that all of his farm visits and research indicate that our industry is missing one major component of success – sheep production models.

"I was looking for information on how to design a good management system or build an efficient feeding system, but always came up empty handed," Stolz said.

The need for better extension services and engaged producers focusing on cost of production are just two of the strategies that emerged from the discussion.

Many other insights throughout the day showed how all members of the value chain can work collaboratively on a common goal. Alberta Lamb Producers' Executive Director Margaret Cook shared how ALP drafted a business plan to increase sheep production in the province and how they were successful in becoming one of only two provinces to grow its ewe flock between 2009 and 2010.

The VCRT also heard of the tremendous potential for exporting Canadian genetics, but again, the industry needs to work together to make that happen. As Dr. Lynn Tait of the Canadian Livestock Genetics Association (CLGA) explained, various stakeholders have a role to play in addressing the needs for funding and a recognizable flock health status to make this happen.

That need for collaboration was also pointed out by Rob Cahill of the Fur Institute of Canada who believes that developing an on-farm strategy that involves Canada's trapping community is a worthy solution to predation problems.

CSF Value Chain Round Table

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Please take the time to review all the reports that we have gathered in this edition of Points of View. They highlight many areas where value chain collaboration can help producers increase production and profitability.

Send your comments to pointsofview@cansheep.ca, or contact Barbara Caswell directly at 1-888-684-7739 or barbara@cansheep.ca.

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Your feedback is essential!

Your opinions, thoughts and insights is the fuel that powers Points of View. We need to hear more about what you think in order to keep this forum going. Its success depends how much everyone in the sheep industry weighs in with their own perspectives and suggestions for change.

Tell us:

- What you think about Points of View
- If you had a strong reaction – either good or bad – to the contributions or letters in this issue
- If you want to contribute to an upcoming issue
- If you have a topic you'd like to see addressed
- If you have a story that would make a good case study for others to learn from

Few people get the opportunity to have their opinions heard. This is yours. **Send your comments, suggestions and questions to pointsofview@cansheep.ca or contact Barb Caswell directly by phone at 1-888-684-7739 or by email at barbara@cansheep.ca.**

Increasing Extension Resources Will Promote Industry Growth

The Canadian sheep industry's need for extension information and skill-building tools was made evident at this year's Value Chain Round Table discussion. Throughout the day, producers and industry representatives repeatedly cited the importance of these resources, especially when it comes to strengthening the industry and growing the national flock.

Barb Caswell, Interim Executive Director of the CSF started the conversation with her presentation on the Canadian sheep industry. She

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said the industry has spent the last couple of years developing skill-building tools and while some are complete, others are not.

For example, the CSF recently developed a cost of production (COP)

template and posted it online for producers to fill out. The goal was to gain detailed information on how much it costs to run a sheep operation, use the information to develop a business model, and then apply the model to recruit new producers.

Unfortunately, producer uptake of the online template has been extremely low. "We're having a hard time developing a strong business case with no COP information to support it. So, at this point, the business plan is yet to be finalized," Caswell said.

Caswell also emphasized the importance of extension services.

"... farming information is not being passed down from one generation to the next so producers need time with extension staff to get answers."

Bev Greenwell, President of the British Columbia Sheep Federation, agreed. "There is a lot of potential in BC right now, but with all of the new regulations and changes happening in the industry, producers are faced with a lot of challenges. Extension services would be very helpful," Greenwell said.

Extension would also be valuable when it comes to increasing flock numbers. There are many questions on the right and wrong way to grow a flock and the industry needs guidance.

Lucien Lesage, Chair of the Manitoba Sheep Association, questioned how fast the national flock could grow on an annual basis. Gord Schroeder, General Manager of the Saskatchewan Sheep Development Board, replied. He said Saskatchewan challenged its producers to increase their flocks by 10%.

"I am not saying that's the right number, but that's the number Saskatchewan came up with and it seems achievable," Schroeder said.

Caswell encouraged the industry to find a balance between keeping replacements and expanding the market. She concluded her presentation by once again stressing the need for strong extension services.

"We need to support the sharing of knowledge and information throughout the industry between new producers and existing producers," said Caswell. "The more accurate and precise the information we can share, the better the industry will be."

Best Practices Needed for New Producers and Expanding Operations

Sheep producers and stakeholders participating in this year's Value Chain Round Table discussion believe strong extension services are needed to strengthen the national sheep flock and increase numbers.

Tony Stolz, Project Coordinator on the Radio Frequency Identification Pilot Project, started the conversation by referencing his experiences with the project. Stolz said that in all of his farm visits and research, he always found one major component missing – sheep production models.

"I was looking for information on how to design a good management system or build an efficient feeding system, but always came up empty handed," he said.

Stolz encouraged the industry to develop a best practices manual for new producers wanting to get into the industry and established producers wanting to expand.

"Get the experts together and tell the industry how to build a really good 200-head sheep farm or a really good 1,000-head operation."

Andrew Gordanier, newly appointed Chair of the Canadian Sheep Federation, spoke of the Ontario sheep industry's extension services.

"We lack extension in Ontario and the programs that do exist like Growing Your Farm Profits are not very well promoted," he said, adding that there are many holes in finding out where the information is.

Susan Hosford, Alberta Agriculture, added to the conversation.

"Experience is expensive so it makes sense to build on someone else's."

Gord Schroeder highlighted the main issues he's been seeing as the Executive Director of the Saskatchewan Sheep Development Board.

"Producers are looking for people with experience and knowledge to sort through existing information and then help them assess it."

"The top three items I've been hearing over and over again are problems with lenders, the lack of breeding stock and the need to run the farm as a business," Schroeder said.

Alberta Lamb Producers Expanding Flock

The Alberta Lamb Producers (ALP) has spent the last two years building on an industry they're proud of and the hard work is paying off. According to Statistics Canada, Alberta was one of only two Canadian provinces to expand its ewe flock between 2009 and 2010.

Margaret Cook, Executive Director of ALP, shared the organization's impressive story at the Value Chain Round Table this year. She said it began in 2008 when the Alberta sheep industry drafted a new business plan focusing on expansion. ALP saw the need for more supply in an expanding market, plus it wanted to preserve and grow the industry's infrastructure.

The ALP received funding from the Alberta Meat and Livestock Agency to develop their strategy. They entitled it "Producing an Industry we're Proud of" and the theme was opportunity, pride and quality.

Our goals were to increase productivity and encourage expansion in existing flocks, as well as encourage new entrants to join the industry.

"We wanted producers to see their industry as an industry to be proud of and not to be always overshadowed by Alberta's cattle industry," said Cook.

Media releases were created promoting Alberta's sheep industry, as was an advertising campaign. A promotional DVD was professionally developed and launched in October 2009. All of the above featured local producers, their comments and views.

Cook said the feedback from the industry and media has been positive and some expansion has already taken place in Alberta. Statistics Canada showed a 2.3 percent increase in breeding ewes over the last year, as well as an increase in ewe lamb retention.

ALP has been encouraging new entrants to start small and learn production on a few sheep before jumping into large numbers.

Middle sized flocks are expanding and Alberta has seen a number of new producers enter the industry.

According to Cook, the whole experience has brought many valuable lessons. She says the key element to strengthening an industry is providing the proper tools either for new producers wanting to enter or existing producers wanting to expand.

Collaborating with other industry stakeholders is vital in order to share the limited resources that are out there.

"Working together takes commitment but it's very worthwhile," Cook said. "Together we can achieve greater industry benefits from the use of provincial and federal funding and expertise."

Alberta producers pay a mandatory check-off which supports ALP's operations and industry initiatives. Although Alberta's flock is stable and has seen an increase, Cook says that's just the beginning.

Alberta Lamb Producers Expanding Flock

"We're extremely proud of how far we've come but there's still a long way to go," she said. "The sheep industry has a bright future with a growing market and good prices. ALP will continue to encourage Alberta producers to take advantage of that."

According to Schroeder, producers have been spending a lot of time developing strong business plans and presenting them to financial institutions only to be turned down. Schroeder said this needs to change.

"We have to get outside people looking at the sheep industry and investing in it if we want to continue to grow," said Schroeder.

Trappers Part of Predation Solution

The issue of predation has been identified as a major limiting factor for the Canadian sheep industry. Developing an on-farm strategy that involves Canada's trapping community may be a solution.

Rob Cahill of the Fur Institute of Canada (FIC) spoke to sheep producers and industry stakeholders at this year's Value Chain Round Table. He said bringing farmers and trappers together should be a priority for the Canadian sheep industry.

Canada's trapping community is made up of 60,000 trappers. Licensed trappers are trained to follow international humane trapping standards and provincial trapping regulations, which includes using certified trapping equipment.

Regulated trapping occurs in Canada for the use of trading fur, food and culture, scientific research, public health and nuisance control. Cahill said regulations around the latter two have seen a major increase in recent years especially at the municipal level.

"The level of human-wildlife conflict is on the rise in urban areas so municipalities are playing more of an important role," said Cahill.

When it comes to dealing with predators on the farm, Cahill said the Canadian sheep industry isn't alone. In Europe, wild boars are a major problem for crop producers, as are muskrats. Over one million muskrats are trapped each year in Western Europe and the Netherlands is spending \$30 million annually on the same problem.

In Canada, Alberta submitted \$1 million in predator claims in 2007, whereas Saskatchewan submitted almost \$700,000 in claims the same year.

In 2008, Ontario submitted \$1.33 million in claims and estimated \$41 million in predator related agricultural damage.

"Trappers can help the sheep industry. They are certified and have a lot of skill when it comes to dealing with animal damage control," said Cahill.

Trappers & Predation

Cahill strongly emphasized that predation is a national problem that needs a national solution. He said the sheep industry needs to establish a national predator control program – one that involves the trapping and farming communities working together, along with the support of federal and provincial authorities. Cahill warned producers about relying upon the trapping community alone to deal with predators. He said the cost of bringing in a trapper each time a predator threatens the farm is one that will cut into profits.

"We need to systematically address predation so that farmers can implement trapping practices on the farm," Cahill said. "An organized, methodical approach to predation is a must."

"If producers learned a few simple, non-lethal abatement and trapping techniques, they could start there and bring in a trapper later if the problem persists," Cahill said. "That alone will save producers a lot of money."

Initial meetings with CSF and FIC have taken place throughout the past year with the hopes of developing a strong partnership. Cahill said coordinating and cooperating are the next steps in building a national predator control program.

Health Status and Funding Key to Genetic Exports

When it comes to genetics, the Canadian sheep industry needs to focus on two important tasks: developing a recognizable flock health status and seeking out new funding to support genetic exports.

This was the message Dr. Lynn Tait, a member of the Canadian Livestock Genetics Association (CLGA), delivered at this year's Value Chain Round Table.

Tait explained that most of the world does not see Canada as a leader in sheep genetics, but the CLGA is working on changing that. Tait has spent the past seven years travelling the world promoting Canadian sheep genetics on an international level.

She said many lessons have been learned throughout her international exchanges, but most importantly is that the Canadian sheep industry needs to have a better recognizable health standard.

"Canada needs national programs for Maedi Visna, Johnes and Caprine Arthritis-Encephalitis (CAE) if the rest of the world is going to take us seriously."

"We deal with countries that are completely Maedi Visna free," said Tait.

Health Status and Funding Key to Genetic Exports

Eric Bjergso, General Manager of the Canadian Cooperative Wool Growers and a round table participant, was interested in knowing more about exporting Canadian genetics to China.

Tait said the possibilities are there but so are the hurdles. China would be open to semen and embryos but they will not come to the table until Scrapie is dealt with. Even though China is not scrapie free, they are insisting that Canada is before any trade agreements are made.

China is also looking for live animals in very big numbers, about 15,000-20,000 at a time. Tait warned the Canadian industry to proceed with caution.

“Be ready for the flood gates if that door opens and be careful, you could decimate your industry within a year shipping those kinds of numbers,” she said.

Murray Hunt, General Manager of the Ontario Sheep Marketing Agency, questioned Tait about funding for genetics export.

Tait replied by that the CLGA accesses funding solely for export market development and does not support domestic activities.

She encouraged the industry to look into obtaining more funds from the federal government for genetic research, promotion and sale.

“I think there is money there for the taking but the biggest thing you should do is organize together as a country and submit a unified proposal.”

In closing, Tait emphasized that Canada does not need a huge population of sheep to strengthen its genetics industry.

She said the Canadian Holstein industry makes up only four percent of the world Holstein numbers, but produces 47 percent of Holstein genetics. So even with lower sheep numbers, Canada can and should have a vested interest in genetics.

RFID Update: Challenges and Opportunities

The preliminary results of the Radio Frequency Identification Pilot Project are in. Project Coordinators, Fred Baker and Tony Stolz, presented the findings at this year's Value Chain Round Table.

Background

Baker reported on the Canadian Sheep Federation's National RFID Pilot Project, which began in August 2009. Applications were accepted until November of the same year, at which time 25 sheep farms were selected to participate, representing 13,600 ewes and 21,800 lambs.

Allflex and Shearwell donated 10,000 tags to the project and participating producers received a 50 percent reimbursement on all necessary equipment such as readers, scales, load bars, computers and software.

Baker said most producers opted to work with a Pision Workabout Pro handheld reader and computer, whereas two producers chose wand readers and one selected a personal digital assistant style.

Software, including Farm Works, EweByte, Ranch Manager and bioTRACK, were used by participating producers – as were various scales such as Tru-Test, Gallagher and Reliable Scale.

Challenges and Lessons Learned

On-farm implementation for the national pilot began in February and March 2010, and according to Baker, the producer learning curve was extremely steep.

Some producers needed to be taught basics like downloading attachments from e-mails, while others had no prior experience filling out electronic spreadsheets.

"We now know that if we're going to implement a nationwide RFID program, we're going to have to do a lot more field and training days."

Preliminary results also highlighted the need for individual training in a group setting, to ensure that everyone is working at the same level.

Challenges with equipment were a reality as well, especially when it came to amalgamating different units of equipment into one system. Baker pointed out that each piece of equipment might work well on its own, but depending on the make and model, bringing it all together created problems.

"Individual pieces don't always work together technically without adding additional code or patches," Baker said. "And since each manufacturer is only responsible for their equipment, there is no central help desk for producers to access."

Opportunity to Improve

Stolz continued the technology discussion. He said, although new technology may seem like a headache at first, the potential it can bring to the farm is significant.

For example, RFID allows producers to incorporate precision management on the farm, which is the ability to measure and identify animals based on merit, to improve flock productivity.

RFID Update: Challenges and Opportunities

"Precision management is possible with RFID because producers now have access to accurate animal weighing, sorting and data recording," Stolz said.

RFID also helps producers reduce countless hours of sorting through paper work, identify high and low performing ewes, track ram performance and store important financial data.

All of this information allows producers to measure their productivity, and according to Stolz, the only way to know if you're increasing your productivity is to measure it.

Moving Forward

Baker said most participating producers have completed their financial analysis, and project coordinators have received producer experience worksheets, which outlines how producers got through the pilot.

Stolz said the project is also very close to having base line averages from participating producers.

" Final results will provide a breakdown of individual farm costs including feed, RFID technology based on farm size and labour. Results will be released to the industry in the near future."

By completing the pilot, coordinators realized a phase two would need to be incorporated.

"We have 21,000 lambs identified but we're just at the point where there is movement off the farm," said Baker.

The next phase will introduce transporters and other industry stakeholders into the project.

The CSF has submitted an application for phase two to Agriculture and Agri-Food Canada. To date, the organization is still waiting for a response.

In the next
issue...

Myth: The Canadian sheep industry has the extension services required to help producers make necessary advances in sheep production.

Several presenters at the CSF Value Chain Round Table felt that Canadian sheep producers are not getting the level of extension services they require to make production and profitability gains. It was noted that while there is a large amount of information available to producers, there appears to be a need for assistance in helping producers make best use of the information, as well as a need for best practices and production models.

- Are you getting the extension service you need to help you improve production and profitability?
- What information do you require most to improve your business management?
- How could extension be improved to meet your needs?
- Do producers want more extension? Will producers get engaged? Would the services be utilized?
- Are there extension models from other industries or countries that would be better suited to the Canadian sheep industry?

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