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Action Items from October 2018 Board Meetings

- Planning for the proof of concept traceability project continues. The project budget is under development and linkages to other traceability-related activities are being explored.
- The CFIA was notified of the CSF Board of Directors support of proposed changes to the Voluntary Scrapie Flock Certification Program and recommendation to implement the changes as of January 1, 2019.
- Comments were remitted to the ASEAN Free Trade Agreement consultations, in keeping with those made to the MERCOSUR and Pacific Alliance FTA consultations.
- The CSF issued a call for nominees to the National Farmed Animal Health and Welfare Council.
- Annual General Meeting information and packages were circulated to Canadian Sheep Federation members in preparation for the November 30th meeting in Calgary.

Canadian Sheep Identification Program / Traceability

- In preparation for changes to traceability regulations, the CSF is developing a traceability implementation plan. The plan will include preparedness activities that will support industry compliance with communication tools, reporting tools and stakeholder education and training sessions.
- CSF staff met with representatives from BeefChain to learn more about the initiative and explore opportunities for adapting the technology in a Canadian setting. These explorations are directed at responding to producer requests to see value generated from traceability.
- In the same theme as the BeefChain meetings, the CSF Board moved to continue work on a proof of concept project that will test information sharing along the value chain, using technology built on the backbone of traceability regulations to share performance data with relevant stakeholders.

Industry Updates

- Through the past year, agriculture stakeholders were kept abreast of NAFTA renegotiations. However, last-minute concessions in negotiations (primarily in supply managed commodities) made to finalize the Canada-United States-Mexico Agreement (CUSMA) were not something stakeholders were aware of until after the fact. Full agreement text can be found at <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/cusma-aceum/text-texte/toc-tdm.aspx?lang=eng>
- CSF staff met with Agriculture and Agri-Food Canada staff to discuss the opportunity of including remaining US trade restrictions in the next meeting of CUSMA's reinvigorated Committee of Agricultural Trade.
- Livestock industry groups met in cross-commodity meeting to discuss animal agriculture alternatives, also referred to lab-made, cell-cultured or bioengineered proteins. These are proteins produced in labs to resemble animal protein, cultured from stem cells and animal tissue. Canada has yet to develop definitive policy around these products, and livestock industry leaders met to consider developing an industry position. Each industry organization was encouraged to touch base with international counterparts to get some global perspective, and the group would re-convene to compare notes. The next meeting of this group is planned for December.
- CSF staff reached out to counterparts in the US, Australia, New Zealand and the UK to discuss approaches to lab-made proteins. The dialogue was helpful, but more importantly led to an interest in global collaboration on issues such as these.
- The Scrapie Working Group's proposed changes to the Voluntary Scrapie Flock Certification Program (VSFCP) have been accepted by the USDA, and with their implementation the USDA will consider the Canadian and US program equivalent. The CSF Board approved of the proposed changes and supported the CFIA's desire to implement VSFCP changes effective January 1, 2019.
- CSF staff met with Canadian Food Inspection Agency staff in an Opening (pre-audit) meeting in preparation for the annual Chronic Wasting Disease Voluntary Herd Certification Program (CWD VHCP) audit. The audit itself is planned for early December 2018. Both the CWD VHCP and VSFCP are audited annually by the CFIA, where the CSF's role as regional administrator and status assessor is evaluated.
- The annual independent audit of CSF financial affairs took place through September and October, with draft financial statements presented to the CSF Audit & Finance Committee and Board of Directors in October. Both the Committee and the Board approved the financial statements as presented by the auditor, who determined that they 'present fairly, in all material respects, the financial position of Canadian Sheep Federation as at August 31, 2018, and the results of its operations and its cash flows for

For Broad Distribution

the year then ended in accordance with Canadian accounting standards for not-for-profit organizations. Approved financial statements were subsequently circulated to all CSF members.

- The Sheep Value Chain Round Table (ShVCRT) Steering Committee met to welcome the new industry co-chair, CEPOQ's General Manager Hélène Méthot, and to finalize the November meeting agenda. This year's ShVCRT meeting will take place in Calgary November 28th and 29th. For the first time, a portion of the meeting will be combined with the Beef Value Chain Round Table meeting bringing the two sectors together to discuss common interests.

This month's meetings

- Agriculture and Agri-Food Canada; Sheep Value Chain Round Table planning
- Office of the Minister of Agriculture
- Agricultural Trade Negotiation Consultative Group – USMCA
- BeefChain – Project explorations
- BDO – CSF Annual Audit (x 2)
- BC Sheep Federation – Project planning
- Agriculture and Agri-Food Canada – USMCA, Consultative Committee on Agriculture
- CSF Board of Directors conference call
- National livestock industry meeting – bioengineered proteins
- Market Access Secretariat – Pacific Alliance Free Trade Agreement
- Value Chain Management International – Project planning
- Canadian Food Inspection Agency – Chronic Wasting Disease Voluntary Herd Certification Program Pre-Audit meeting
- Safe Food for Canadians webinar
- Canadian Goat Society – Voluntary Scrapie Flock Certification Program presentation
- Canadian Co-operative Wool Growers – Annual Banquet
- CSF Audit & Finance Committee conference call
- CSF Board of Directors conference call – Annual Audit
- Sheep Value Chain Round Table Steering Committee – annual meeting planning



SHEEP SUPPLY CANADA

Year To Date for the Month Ending August 2018

Fed. & Prov. Slaughter (head)			
preliminary	2018	2017	% chg
B.C./Alta/Sask./Man.	76,529	76,442	0.1
Ontario	174,861	176,235	-0.8
Quebec - Atlantic*	90,492	90,704	-0.2
Canada	341,882	343,381	-0.4
Federal Slaughter			
West - Ontario	7,366	6,541	12.6
Quebec - Atlantic	8,373	5,854	43.0
West - Ontario YTD	56,214	59,669	-5.6
Quebec - Atlantic YTD	53,016	46,654	13.6
Provincial Slaughter preliminary			
West - Ontario	36,489	28,766	26.8
Quebec - Atlantic*	4,695	7,105	-33.9
West - Ontario YTD	195,176	193,108	1.1
Quebec - Atlantic YTD *	37,476	44,050	-14.9

Source: Canadian Food Inspection Agency, Provincial Governments
*Includes estimates for 2018

Monthly Prices			
Ontario Auctions	2018	2017	% chg
Lambs \$/cwt, live weight, weighted average			
< 65 lbs, new crop	239.70	264.26	-9.3
65-79 lbs	258.67	268.95	-3.8
80-94 lbs	275.72	262.66	5.0
95-109 lbs	264.93	262.25	5.0
Sheep	141.14	152.20	-7.3
Quebec Auctions			
Lambs \$/cwt, liveweight, weighted average			
< 65 lbs, new crop	260.46	284.94	-8.6
65-79 lbs	275.27	284.70	-3.3
Sheep - Ewes	107.79	126.56	-14.8
Sheep - Ram	170.04	155.31	9.5
LEOQ 2018			
Quebec Heavy Lambs \$/kg carcass basis (Producer annual contract price)			
July 29 to September 8, 2018		12.00	
September 9 to October 20, 2018		12.00	
October 21 to December 1, 2018		11.50	

Source: Ontario Cattleman's Association, Quebec Electronic Auctions and Les Elevateurs d'Ovins du Québec

Imports			
(Number of head from U.S.)	Year to Date August		% chg
	2018	2017	
Pure-bred & Non Pure-bred	2018	2017	% chg
East	66	58	13.8
West	93	56	66.1
Total	159	114	39.5

Source: Statistics Canada

Exports			
(Number of head)	Year to Date August		% chg
	2018	2017	
Total Live Sheep	2018	2017	% chg
United States	4,376	4,760	-8.1
Other	0	79	-
Total	4,376	4,839	-9.6

Source: Statistics Canada

Mutton & Lamb			
(Metric Tonnes)	Year to Date August		% chg
	2018	2017	
New Zealand	7,119	8,304	-14.3
Australia	6,061	5,182	17.0
Other	660	580	13.7
Total	13,840	14,066	-1.6

Source: Statistics Canada

Mutton & Lamb			
(Metric Tonnes)	Year to Date August		% chg
	2018	2017	
United States	42.8	68.4	-37.4
United Arab Emirates	32.0	31.1	3.0
Saint Pierre and Miquelon	9.2	9.9	-7.2
Other	0.3	5.4	-94.7
Total	84.4	114.8	-26.5

Source: Statistics Canada

UNITED STATES

Total Sheep and Lambs			
	Year to Date August		% chg
	2018	2017	
Slaughter ('000 head)	1,289	1,246	3.4
Avg Dressed Wt (lbs)	70	68	3.3
Avg Dressed Wt (Kg)	32	31	4.4
Lamb/Mutton (mil lbs)	92	86	6.8
Lamb/Mutton (tonnes)	41,504	38,919	6.8

U.S. Lamb & Mutton Exports (Metric Tonnes)			
	Year to Date August		% chg
	2018	2017	
Caribbean	491	406	23.8
Mexico	448	807	-26.5
Middle East	364	14	-
Canada	95	144	-34.0
European Union	81	75	8.0
Japan	66	20	8.0
Central & South America	62	136	-54.4
Other	79	72	9.7
Total US Exports	1,684	1,474	14.2

Source: United States Department of Agriculture (USDA)

U.S. Price Summary			
	August		
San Angelo Auction	2018	2017	
U. S. \$/cwt min/max			
Choice and Prime 1	161.13 - 179.25	189.90 - 208.85	
40-70 lbs	161.13 - 179.25	189.90 - 208.85	
70-110 lbs	140.71 - 153.88	174.53 - 190.03	
Good 1	45-80 lbs	132.08 - 134.15	143.40 - 165.10

Note: Monthly price averages are calculated off of daily/weekly price reporting

U.S. Lamb & Mutton Imports (Metric Tonnes)			
	Year to Date August		% chg
	2018	2017	
Australia	67,931	58,599	20.0
New Zealand	20,731	23,088	-10.1
Chile	520	975	-46.7
Uruguay	106	0	-
Canada	43	71	-39.5
Other	121	111	8.8
Total US Imports	89,452	80,824	10.7

Source: USDA