



ED Report

Action Items from the March Board meeting 1

Canadian Sheep Identification Program / Traceability..... 1

Scrapie Flock Certification Program 2

Industry Updates 4

This month’s meetings..... 4

Sheep Supply Report..... 6

Action Items from the March Board meeting

- The CSF appointed representatives to the National Farm Animal Care Council Transport Codes of Practice Sheep and Goat Working Group, Transitional/Intermediary Site Working Group and Code Development Committee.
- The CSF’s AgroLedger project application was finalized and submitted to Innovation, Science and Economic Development Canada.
- Information regarding the Humane Transport Regulations was circulated to members who are encouraged to circulate the information among stakeholders. New regulations come into force in February 2020.

Canadian Sheep Identification Program / Traceability

- The Canadian Food Inspection Agency’s TRACE department issued a statement to industry in March, informing industry of the upcoming Minister’s decision to not bring the proposed regulatory amendment to Part XV of the Health of Animals Regulations to the attention of cabinet under the current legislation. The announcement noted:
 “the purpose of this regulatory amendment is to strengthen the livestock traceability system in Canada to enable effective and timely disease control investigations, to better manage animal health issues, to further protect public health, and help improve our capacity to maintain market access as well as consumer confidence. While the federal government and provinces have reiterated the importance of moving this file forward, building on efforts made by provinces and industry, concerns from industry associations remain about program design; a perceived lack of value proposition, and; implementation costs associated with the proposal.” Adding that “the CFIA recognizes the efforts and collaboration from provinces, administrators and industry associations in implementing the proposed regulations and, remains dedicated in bringing the proposed regulations forward for Cabinet consideration. The new timeline is moving to a winter/spring 2020 date.”

For Broad Distribution

This proposed timeline speaks to when proposed regulations are expected to be published in Canada Gazette Part I. Following CGI, there will be a 75-day comment period. Subsequently, the federal government will review comments and consider further amendments to regulations. Final regulations will then be published in Canada Gazette Part II. It is not uncommon for the period between CGI and CGII to last 12 months, suggesting that new regulations may not be expected before winter/spring 2021.

- The Regulatory Implementation Committee met again in March, continuing traceability implementation planning despite the CFIA's announcement regarding delayed regulatory amendments. The Committee spent considerable time discussing the management of Premises Identifications (PIDs) in traceability reporting, especially issues with linkages between the provincial databases that issue PIDs to stakeholders and traceability's responsible administrators' databases. Communications strategies development continues with some new ideas and technologies for information sharing being tossed around.
- The CSF met with the Community of Federal Regulators in March to finalize the CFR's use case study of AgroLedger. Deloitte's draft report was made available to the group for review, ahead of its finalization and circulation to Canada's federal regulators. The report, studying the opportunity for tracing animal disease using blockchain technology, is expected to be finalized in April. The study speaks highly of the opportunities to 'increase interoperability across the sheep value chain, provide end-to-end traceability for the value chain, provide verifiable and immutable data, while allowing dynamic permissioning and user control of data.' More information to come once the final report is available.

Scrapie Flock Certification Program

- Effective March 1, 2019, the Scrapie Flock Certification Program's revised National Standards came into effect. Program changes made following extensive consultation with the Canadian Food Inspection Agency, Canada's Scrapie Working Group and the United States Department of Agriculture (USDA), will align Canada's program with future US import requirements and ensure that program participants are eligible to export to the US when their import rule changes. Revised National Standards were circulated to producers, the most impactful of which include:
 - The program name will change to 'Scrapie Flock Certification Program', with the word 'Voluntary' removed. Program enrollment remains voluntary to Canadian sheep and goat farmers but as always once enrolled, program compliance is mandatory.
 - An additional program level, Certified Plus, has been created. Two further years of program participation, for a minimum of 7 years, and additional sampling minimums are required to advance to the Certified Plus level. Specifics are outlined in the revised National Standards. Producers must request level Certified Plus and it will not be automatically assigned. A specific document will be created to be used for the request and will be available to eligible producers beginning March 1st.

For Broad Distribution

- Scrapie testing within the program will now require that two tissues, a brain sample AND a retropharyngeal lymph node, must be collected from each animal that must be tested, submitted and tested for scrapie. Private labs currently conducting scrapie testing for SFCP-enrolled producers must be notified that the samples are being submitted in compliance with the program and they will make submission forms available to this end. A special rate of \$81.00 for both tissues has been negotiated with the University of Guelph's Animal Health Lab, beginning March 1st. Samples submitted to the CFIA for testing already, and will continue to, have both tissues tested.
- The annual sampling minimum is waived for genetically resistant flocks, defined as all sheep in the flock with documented proof of 136AA 171QR or 171RR genotype, and all rams of 171RR genotype.
- Producers are required to report an illness lasting longer than two weeks (except a physical injury) to their accredited veterinarian before disposing of the animal in any way, and accredited veterinarians must maintain a written record of each such case.
- Actions taken on SFCP enrolled scrapie positive farms have been clearly defined.
- The Canadian Sheep Federation's SFCP Standard Operating Procedures and program forms will be updated to reflect revisions to the National Standards and will be available beginning March 1st. Documents will be available upon request, and on our website at www.scrapiecanada.ca
- In March, the Canadian Animal Health Surveillance System (CAHSS), an industry-government network of networks working towards more effective, responsive and integrated animal health surveillance, convened a workshop on integrated approaches to vector-borne disease surveillance. Attendees included representatives from:
 - the Canadian Food Inspection Agency
 - Agriculture and Agri-Food Canada
 - Public Health Agency of Canada
 - Provincial governments
 - Canadian Veterinary Medical Association
 - Canadian Wildlife Health Cooperative
 - National Farmed Animal Health and Welfare Council
 - Academia
 - Livestock industry (including the CSF)

The objectives of the workshop were to: List and categorize the stakeholders involved in activities that contribute to vector-borne disease surveillance; Build consensus around ways to support more effective, responsive and integrated vector-borne disease

For Broad Distribution

surveillance; Plan the development of a vector-borne disease surveillance network. The meeting report and next steps are expected in April, with further work to be done on establishing the surveillance network.

Industry Updates

- Sheep farmers and ranchers in Western provinces and the territories continue to face pressure from wildlife advocates around the issue of domestic and wild sheep interactions. Efforts to exclude sheep and goat farming from areas where wild sheep and goat populations roam have led to some dangerous precedent-setting policies and legislation. Jurisdictions facing the same issues are now working together to share information, experiences and research, and are working on a common industry position. One such meeting between the BC Sheep Federation, Yukon Agricultural Association, Canadian Sheep Federation, Alaska Office of the State Veterinarian and Alaska Farm Bureau took place in March. The industry will benefit from a uniform approach to managing the issue.
- The Australia Government announced in March that it will revise its Export Control (Meat and Meat Products) Orders by the summer of 2019, to change how it defines lamb. The new definition will allow animals demonstrating the 'eruption of permanent incisors' (provided they do not demonstrate wear) to be considered lamb and not aged as mutton. This will bring grading in line with New Zealand's standards. In Canada, animals showing two permanent incisors (defined as any dual eruption of the gumline) must be labelled as mutton. There is some concern that the Canadian standard is resulting in some lambs being graded unfairly as mutton and leading to lower returns to stakeholders. The Sheep Value Chain Round Table Meat Quality Working Group is in the midst of discussions around this issue and the CSF Board will consider the implications of the existing standard as well as proposed changes.
- In a March notice to the cervid industry, the Canadian Food Inspection Agency announced changes to how it manages chronic wasting disease responses. Starting April 1, 2019, the CFIA will order depopulation with compensation only for affected herds that have achieved level D or higher of a VHCP. Generally, these herds will have participated in a VHCP for 12 months or more. The CFIA will continue to investigate all animals suspected of having CWD and conduct confirmatory testing to determine whether CWD is present in a herd. Confirmation of CWD in a herd will trigger the CFIA's CWD disease response. The CFIA's CWD VHCP response includes movement controls, ordering destruction and disposal of infected herds, cleaning and disinfection of contaminated premises, and providing compensation to producers.

This month's meetings

- Saskatchewan Ministry of Agriculture – Trade and Value-Added

For Broad Distribution

- BC Sheep Federation, Alaska Office of the State Veterinarian, Alaska Farm Bureau, Yukon Agricultural Association – Wild sheep issue management
- AgroLedger (x2)
- SunGold Specialty Meats
- Canadian Sheep Federation Board of Directors
- Regulatory Implementation Committee – Ottawa (2 days)
- Community of Federal Regulators – AgroLedger Case Study
- Animal Health Canada
- Canadian Sheep Federation Audit & Finance Committee
- Agriculture and Agri-Food Canada – AgroLedger
- CAHSS Vector-Borne Disease Surveillance Workshop – Winnipeg (2 days)
- Canadian Sheep Federation Promotions and Research Agency Committee
- Environment and Climate Change Canada's Output-Based Carbon Pricing System Working Group
- Sheep Value Chain Round Table Health Strategies Working Group
- Canadian Food Inspection Agency – Chronic Wasting Disease control actions
- Saskatchewan Cervid Alliance Annual General Meeting – Saskatoon (2 days)

Sheep Supply Report



SHEEP SUPPLY CANADA

Year To Date for the Month Ending December 2018

Fed. & Prov. Slaughter (head)			
preliminary	2018	2017	% chg
B.C./Alta/Sask./Man.	125,247	125,503	-0.2
Ontario	264,799	275,804	-4.0
Quebec - Atlantic*	144,712	142,755	1.4
Canada	534,758	544,062	-1.7
Federal Slaughter			
West - Ontario	13,924	12,798	8.8
Quebec - Atlantic	7,871	8,417	-6.5
West - Ontario YTD	92,027	98,054	-4.2
Quebec - Atlantic YTD	81,422	74,522	9.3
Provincial Slaughter			
preliminary			
West - Ontario	30,957	29,753	4.0
Quebec - Atlantic*	4,769	5,167	-7.7
West - Ontario YTD	298,019	305,253	-2.4
Quebec - Atlantic YTD *	63,290	68,233	-7.2

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

Monthly Prices			
	2018	2017	% chg
Ontario Auctions			
Lambs	\$/cwt, live weight, weighted average		
< 65 lbs, new crop	273.21	285.17	-4.2
65-79 lbs	266.12	297.05	-10.4
80-94 lbs	199.84	225.17	-11.2
95-109 lbs	191.25	212.46	-10.0
Sheep	157.98	165.05	-4.3
Quebec Auctions			
	2018	2017	
Lambs	\$/cwt, live weight, weighted average		
< 65 lbs, new crop	309.60	314.26	-1.5
65-79 lbs	259.95	278.61	-6.7
Sheep - Ewes	143.49	161.58	-11.2
Sheep - Ram	176.25	169.09	4.2
LEOQ			
	2018		
Quebec Heavy Lambs	\$/kg carcass basis (Producer annual contract price)		
December 2 to December 29, 2018	11.00		
December 30 to February 9, 2019	9.95		
February 10 to March 2, 2019	9.95		

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

Imports			
(Number of head from U.S.)	Year to Date December		
Pure-bred & Non Pure-bred	2018	2017	% chg
East	72	84	-14.3
West	93	56	66.1
Total	165	140	17.9

Source: Statistics Canada

Mutton & Lamb			
(Metric Tonnes)	Year to Date December		
	2018	2017	% chg
New Zealand	9,862	12,113	-18.6
Australia	8,930	9,193	-2.9
Other	1,346	1,219	10.4
Total	20,138	22,526	-10.6

Source: Statistics Canada

Exports			
(Number of head)	Year to Date December		
Total Live Sheep	2018	2017	% chg
United States	5,745	5,651	1.7
Other	1	219	-99.5
Total	5,746	5,870	-2.1

Source: Statistics Canada

Mutton & Lamb			
(Metric Tonnes)	Year to Date December		
	2018	2017	% chg
United States	62.2	82.4	-24.5
United Arab Emirates	47.1	48.6	-3.2
Saint Pierre and Miquelon	13.6	16.4	-17.4
Other	4.3	6.3	-31.9
Total	127.1	163.7	-17.3

Source: Statistics Canada

UNITED STATES

Total Sheep and Lambs			
	Year to Date December		
	2018	2017	% chg
Slaughter ('000 head)	1,991	1,934	3.0
Avg Dressed Wt (lbs)	68	69	-1.7
Avg Dressed Wt (Kg)	31	31	-1.7
Lamb/Mutton (mil lbs)	139	132	4.9
Lamb/Mutton (tonnes)	62,823	59,875	4.9

U.S. Price Summary			
	December		
San Angelo Auction	2018	2017	
		U.S. \$/cwt min/max	
Choice and Prime 1		40-70 lbs	229.70 - 252.70 240.50 - 265.25
		70-110 lbs	172.40 - 196.40 179.67 - 198.33
Good 1		50-85 lbs	170.00 - 175.00 151.50 - 160.50

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

U.S. Lamb & Mutton Exports (Metric Tonnes)			
	Year to Date December		
	2018	2017	% chg
Caribbean	815	671	21.5
Mexico	686	879	-22.0
Middle East	366	111	-
Canada	131	224	-41.5
Central & South America	97	188	-48.4
European Union	91	82	11.0
Japan	70	42	66.7
Other	130	224	-42.0
Total US Exports	2,386	2,421	-1.4

Source: United States Department of Agriculture (USDA)

U.S. Lamb & Mutton Imports (Metric Tonnes)			
	Year to Date December		
	2018	2017	% chg
Australia	94,756	82,680	14.6
New Zealand	27,770	30,105	-7.8
Chile	539	1,048	-48.6
Uruguay	242	14	-
Iceland	203	228	-10.8
Other	157	100	58.0
Total US Imports	123,667	114,174	8.3

Source: USDA