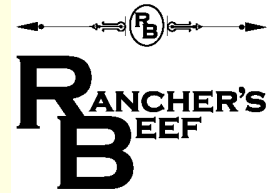
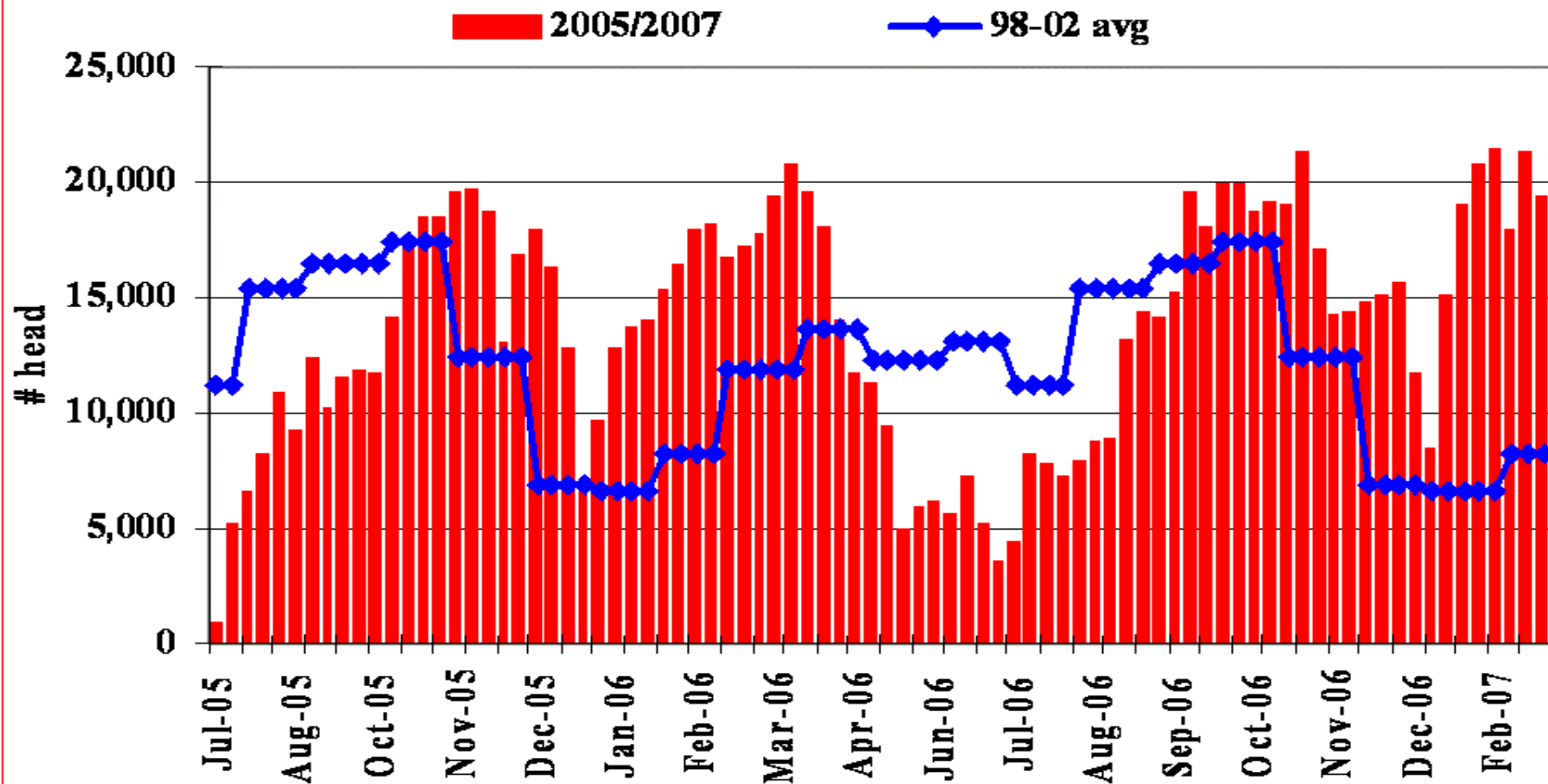


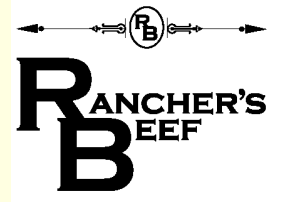
# Live US Fed Cattle Exports to the United States



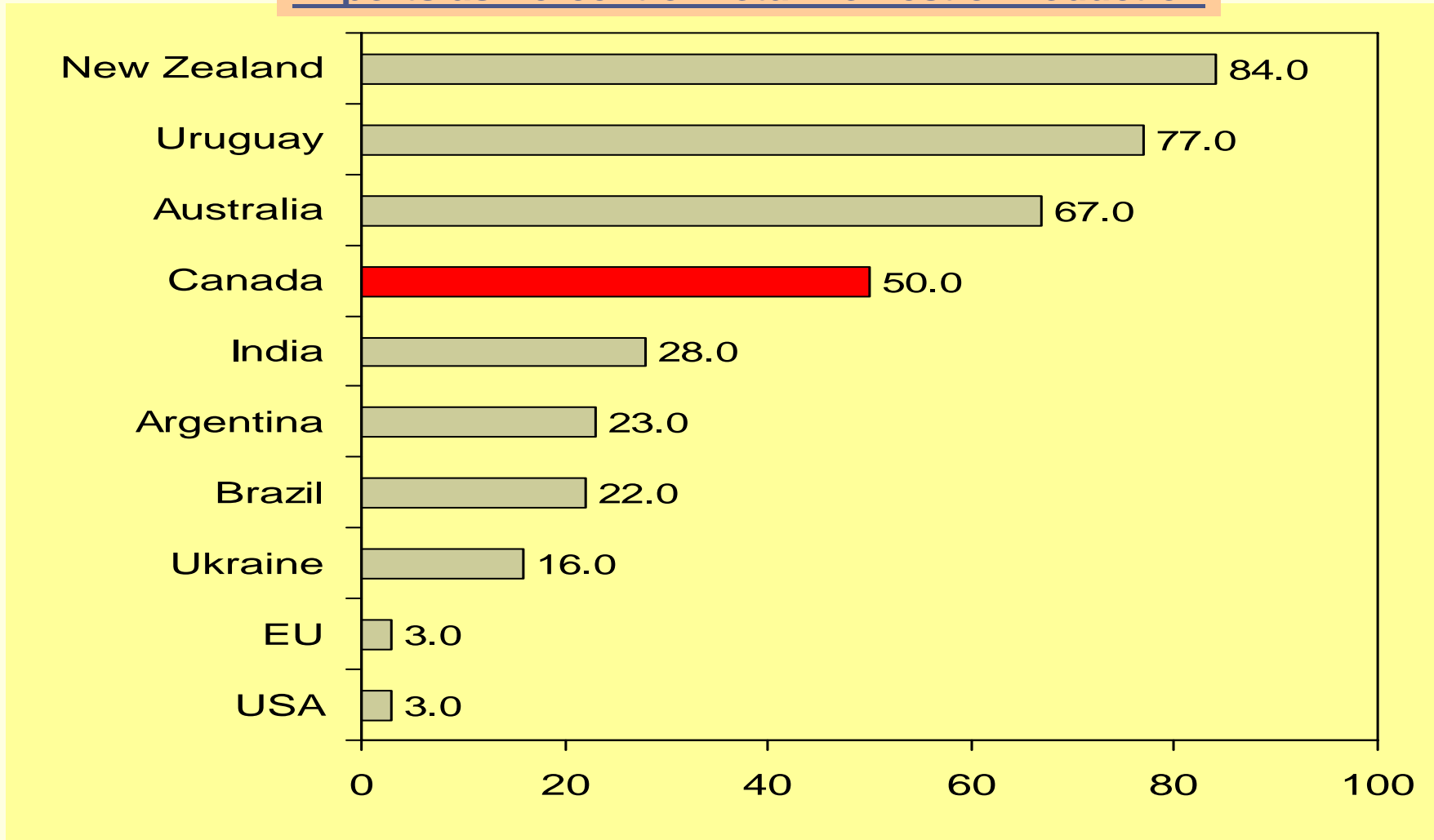
## Fed Cattle Exports to US



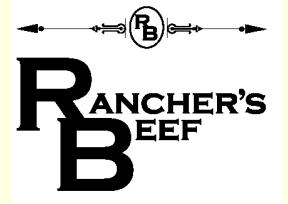
We are the 4<sup>th</sup> largest beef export reliant country in the world.



Exports as Percent of Total Domestic Production

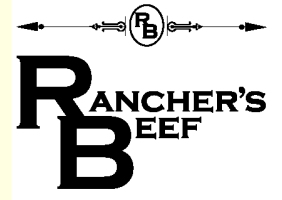


# What's Next?



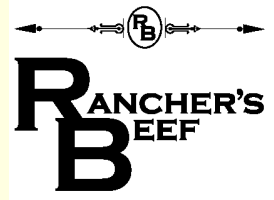
- How does the world view Canada?
- What do they want from Beef?
- What as an industry do we need to do?
  
- How do we tie these perceptions into an appropriate marketing strategy?

# How does the world view Canada?



- In just about all survey's we are viewed as:
  - A fresh, clean country – “clean air and water”
  - Honest people
  - Lots of room (space)

***How do we tie these perceptions into an appropriate marketing strategy?***



# What do they want from Beef?

- In independent surveys done in Mexico, Japan, Taiwan and Korea there were 4 key product attributes that all of these consumers identified when asked about beef.
  - 1.) White fat –No yellow
  - 2.) Bright Red Meat Color
  - 3.) Meat Texture – firm texture
  - 4.) Tenderness – Younger animals and marbling score “good taste”

# Our detailed Canadian Grading system clearly addresses all 4 key attributes



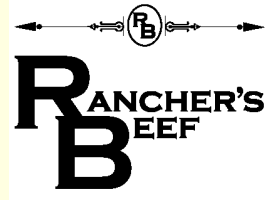
1.) **White fat** –yellow fat cannot be graded Canada Prime, AAA, AA, or A.



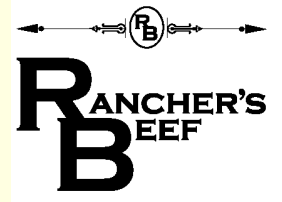
2.) **Bright Red** Meat Color -Dark cutters are not permitted in Canada's top four grades.

3.) **Meat Texture** – Optimal eating quality is associated with a firm muscle texture and this is the minimum standard for the top four Canadian grades

4.) **Tenderness** -Only carcasses judged to be youthful meet the requirements for Canada Prime, AAA, AA, and A.



***The common goal for everyone is ensuring we drive up the value of the carcass to ensure we continue to develop a long sustainable industry***



# We need market diversification!!

- More markets means more options which will always drive up cut out values and in turn drive up live cattle pricing



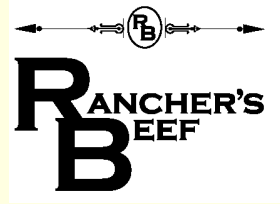
# We need more markets open and less trade restrictions in the markets we have access to.

- Japan –TMU (Twenty Month or Under) regulation makes it hard to service a market for 9 months of the year
- EU –Stringent restrictions on hormone free cattle, product traceability requirements –each primal has to be identified back to its origin, certain plant requirements
- Taiwan – closed
- Korea - Closed

# We need to target markets that will pay for our high quality beef



- United States
- Japan
- Hong Kong
- Korea
- Taiwan
- Europe?



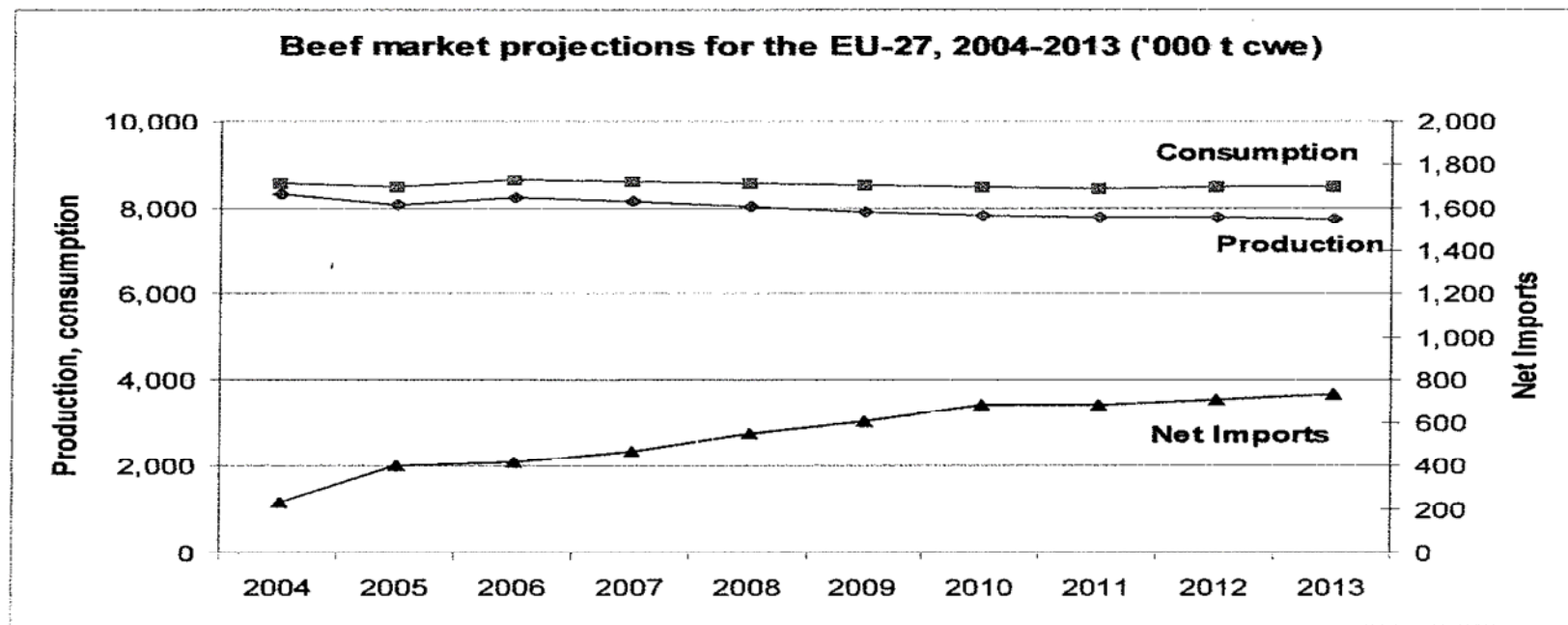
# Why Europe

- Continued restrictions on South American Beef with countries like Brazil because of FMD
- The total EU cattle herd is expected to decrease by 6 percent per year to 2013, mainly driven by the structural decline in dairy cow numbers, but also do to post CAP reform adjustments in the beef sector.
- CAP =Cattle Adjustment Premiums

## EU BEEF DEFICIT FORECAST TO INCREASE

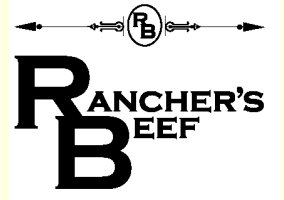
The latest EU Commission forecasts for the beef sector, released this month, indicate that EU beef production is expected to fall by six per cent between 2006 and 2013. Beef consumption is also projected to decrease, but at a slower rate, which means that the EU beef deficit will widen over this period. This will result in beef imports increasing by almost a third to three quarters of a million tonnes by 2013.

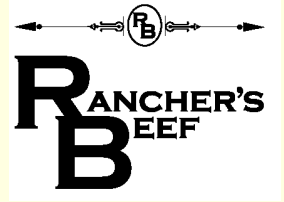
753,000 tonnes in 2013



**In conclusion I will politely ask for  
3 things from the cattle producers:**

- Age Verify
- Age Verify
- Age Verify





# Questions/Comments