

Alberta Livestock & Meat Strategy

Strategy Overview

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Presentation Outline

- History
- Challenges & Opportunities
- Overarching Strategies
- AFRP II
- Effective Governance
- Priority Initiatives
- Next Steps: Engagement Timeline

History

Today's announcement is the result of an initiative started by Minister Groeneveld in October, 2007:

- First beef industry roundtable October 16, 2007
- Challenged industry to develop long-term strategies
- Mission to Asia – October / November 2007
- Various internal reports on livestock, MAPA, competitiveness and regulatory barriers delivered in Spring 2008
- Livestock & Meat Strategy Team - a multi-disciplinary team formed in April to create the government's strategy and implementation plan

Challenges and Opportunities










- Industry faces multiple challenges, but opportunities abound.
- Domestic market remains important.
- World meat consumption continues to grow at 2% annually.
- Developed economy consumers increasingly concerned with safety and assurance.
- Differentiated and branded products are growing in demand and, in many cases, attract price premiums.

Opportunities

Today we are releasing an international research study into branded products. Some highlights of the research show:

- ◆ Premium retail prices paid for natural and organic beef products in the US.
- ◆ Premiums of more than \$62 per head paid for high quality beef programs in the US.
- ◆ Japanese retailers want “stories” or “brands” to support the beef they sell.
- ◆ Over half of South Korean consumers say they are willing to pay an additional 5% to 10% more for a branded meat products.
- ◆ Premiums correlate to the degree of branding as well as the level of integration of the supply chain.

Significant changes are required.

From... the livestock industry today		To... the livestock industry of tomorrow
Shared Industry vision lacking		Alignment around a shared vision
Dependence on U.S. market		Diversified export markets
Commodity focus		Differentiated products
Under developed animal health & meat safety system		Highly developed animal health & meat safety system
Focus on production efficiency		Value chain focus on consumer
Limited information flow		Information exchange across value chain
Agriculture as a lifestyle		Agriculture as a value-adding business
Independent sector perspectives		Integrated value chain perspective
Talk		Action

Alberta Farm Recovery Plan II

AFRP-II is meant to help the industry in the short-term while it transitions to a new competitive model over the longer-term.

Overarching Strategies

The following overarching strategies were used to help guide the development of this strategy and plan:

- ◆ Build on a foundation of animal health, food safety and public health
- ◆ Differentiate at the production/producer level
- ◆ Diversify markets
- ◆ Enhance marketing effectiveness
- ◆ Foster effective business models
- ◆ Reduce costs and regulatory barriers
- ◆ Promote a strengthened supply chain
- ◆ Government as a catalyst

Effective Governance to Achieve Strategic Priorities

- Realize an Alberta Livestock & Meat Agency and effectively implement the livestock strategy
- Evolve the structure of the livestock industry over the next five years

Priority Initiatives

- 1) Shared Vision
- 2) Animal Health & Meat Safety
- 3) Alberta Livestock Information System (ALIS)
- 4) Differentiation
- 5) Marketing & Diversification
- 6) Environmental Stewardship
- 7) Cost Reduction & Regulatory Barriers
- 8) Industry Governance and Transition

These initiatives are designed to work together to achieve maximum impact.

Shared Vision

The proposed shared vision centres around 3 key elements:

- **A vision statement:** *“Towards an internationally competitive industry that provides differentiated products to meet distinct customer needs”.*
- **The Alberta Livestock Information System:** ALIS will be a key vehicle through which the supply chain is strengthened and market signals are sent.
- **The Agency:** The vision for the Agency is to be the focal point for change as well as evolving to a full partnership model between industry and government.

Agenda

11:45 - 12:30	Break for Lunch
12:30 - 2:15	Concurrent Breakout Sessions:
	<ul style="list-style-type: none">◆ AFRP-II◆ ALIS◆ Effective Governance
2:15 – 2:45	Wrap-up & Next Steps

Next Steps

- Collect your comment cards and we will follow-up with you
- Engagement Workshop #2
- Other engagement initiatives

Engagement: *The Next Six Months*

Announcement	June 2008	July – August 2008	September 2008	October 2008	November 2008	December 2008
<p><u>Engagement Workshop #1</u> Focused on clarifying announcement and next steps</p>	<p><u>Engagement Workshop #2</u> Focused on introducing ALIS</p> <p><u>Engagement meetings</u> with individual industry associations</p>	<p>Review schedule, outcomes, clarify details</p>	<p><u>Engagement Workshop #3</u> Focused on the shared vision and industry governance; Minister reception following workshop</p>	<p><u>Engagement Workshop #4</u> Focused on certification (environment, health, food safety, animal welfare/health)</p> <p><u>International Livestock Symposium</u></p>	<p><u>Engagement Workshop #5</u> Focused on consolidation; Minister reception following workshop</p>	<p><u>Industry AGMs</u> Minister attends</p>
	<p>Deputy Minister to host engagement meetings with small groups of individual producers</p>					
	<p>Producer Meetings with AFSC</p>			<p>Producer Meetings with AFSC/ARD</p>		
	<p>Industry technical meetings, as required, to advance priority initiatives</p>					

Key Outcomes (Dec 31, 2008)

1. Agree, in principle, to shared vision
2. Agree, in principle, to buy-in to the Agency

Thank-you for your participation!