

Local News

Cattlemen say plan would guarantee reasonable rate of return

By Suzanne Atkinson

With prices for their animals still in the basement, six central Ontario cattlemen received the go-ahead from their peers at a March 11 meeting in Duoro to press forward with a farmer-crafted, long-term stabilization plan for the beef industry.

And Northumberland cattlemen jumped on board the train.

A presentation held up under intense scrutiny as farmers challenged the six cattlemen on details of the long-term program which would guarantee producers a "reasonable" rate of return during bad pricing periods.

How bad are prices? Farmers who were seeing rail grade prices of \$1.98 per pound dressed weight for steers in early 2003 are now getting \$1.20.

In the 18 months prior to May 2003, the average price for an 800-pound steer was \$1.30 per pound. Over the past year, producers have realized payment of 88 cents a pound.

While they've been paid less for their animals, farmers have seen their input costs rise just as dramatically. Fuel has gone up 55 per cent, fertilizer costs have jumped 50 per cent and even veterinary fees have risen from \$1.80 per minute to \$2.50 per minute, plus the call fee.

The Duoro meeting was another in a grassroots swell which former Ontario Cattlemen's Association (OCA) president Bob Dobson says is picking up steam throughout the province. Outside Ontario, he said, other provinces, too, have realized the

time has arrived for beef producers to take charge. "There is

Rail grade prices of \$1.98 per pound dressed weight

fee. Cost of production (COP) would be adjusted annually to reflect current costs and inflation.

Using the example of a 550-pound weaned calf, with a cost of production of \$1.55 and average selling price of \$1.10, the program

payout would be based on the COP shortfall of 45 cents per pound, yielding \$247.50 for that animal.

The Peterborough group said it is working with a mandate to support domestic consumption of Canadian beef, design a long-term

program that will provide the greatest support to the producer with the greatest need and be fair to government, taxpayers and producers.

The program is to include caps to discourage over-production while avoiding supply

management and high price quotas.

About 50 producers from Northumberland, Peterborough and Hastings Counties and City of Kawartha Lakes approved the plan, which was to be presented to local politicians March 15.

a groundswell early 2003 are out there. We've got to try to go forward. It would be better for the politicians to have a program in place then they won't be bombarded with groups of ugly farmers," agreed Peterborough cattlemen Edgar Cornish.

A Renfrew proposal to rescue the industry can be "married" to the ideas Peterborough's group presented, agreed Mr. Dobson.

Mr. Cornish said that when momentum escalates, the Peterborough cattlemen will continue to push.

"We want to stay involved. We're cow/calf producers," Mr. Cornish said, promising they won't back off when planting season arrives. "Our tractors aren't new enough to have lights that work, so we have time to go to meetings at night. It's certainly not going to die in this area if I have anything to do with it."

Six cattlemen from the commercial, cow/calf, backrounding, feedlot, purebred and hobby sectors nailed together the proposal for a long-term program after a meeting late last year.

They say politicians have been astonished at the drop in price compared to just one year ago.

No politicians were invited to the meeting as cattlemen polled their peers for reaction to the program.

Farmers from six counties approved the plan designed to provide a reasonable rate of return to producers, keep production in the hands of producers and discourage overproduction or expansion.

While some have pressed for more product export, this latest plan is geared to be trade-neutral, cost little administratively and provide timely and responsive financial stability to producers in time of need.

The Duoro program has payout on a per-animal basis with caps, which covers 90 per cent of a producer's cattle. The remaining 10 per cent would be the cattlemen's cost of the program.

The proposal would decrease payments by one per cent for each \$1,000 of non-farm income, after the first \$100,000 of non-farm income.

They ask for payments to be made annually, after income tax filing is done. Producers would need a minimum of 10 animals to qualify and the program would carry a \$50 annual registration

end of year 2007-08