

Beef Improvement Federation

The Value of Information

You can't manage what you
can't measure

-Demmings

Why are we behind other livestock industries?

- Segmented industry where ownership changes often
- Cattle selection throughout the value chain has always been more art than science
- Given their varied environment they live in, not one breed or type can fit every operation
- This lack of measurement criteria has made it difficult to see rapid improvement
- Most of the measurement criteria has been at the genetics level, but very little feedback from the other sectors
- Without improvements in information flow, it takes a very long time to yield results

New opportunities are presenting
themselves to move forward

- DNA genotyping is a breakthrough technology with huge potential
- The ability for electronic transfer of data via internet makes massive amounts of data available to a wide number of stakeholders
- The ability to identify and DNA superior genetics allow for rapid adoption of superior traits

Many of the tools are already in
place

- DNA typing labs are readily available
- Internet based information gathering, management, and dispersion systems are operational
- The adoption of computerized management systems throughout the chain makes transferring massive volumes of data easy and affordable
- With instrument grading been adopted in the processing plants, the final piece will be in place.

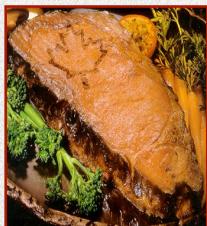
Canadian Beef Advantage Pilot Project

This was developed by multiple participants

- CCA
- CCMDC
- CCIA
- BIC
- CBEF
- CBBC
- BCRC
- Provincial Organizations

5 Establishing the “Canadian Beef Advantage”

- Animal health & beef safety
- Genetics/breeds
- Animal ID
- Age verification capability
- Production programs (QSH)
- Product quality (consistency, palatability)
- Yield and profitability
- Service and Technical support



Canadian Beef Advantage-Objectives

1. Maximize the value of every cut and product from every animal we sell.
2. Put Canadian cattle industry on a path of continual improvement and rapid response to changing customer needs
3. Recognize that Canada's strength will clearly remain in the production of high quality (grain fed) beef.
4. Increase global marketing efforts to differentiate our beef on the basis of quality and safety.
5. Exploit our location to U.S. – only just in time fresh beef import supplier

Based on Key Interdependent Attributes

Animal Health and Food Safety

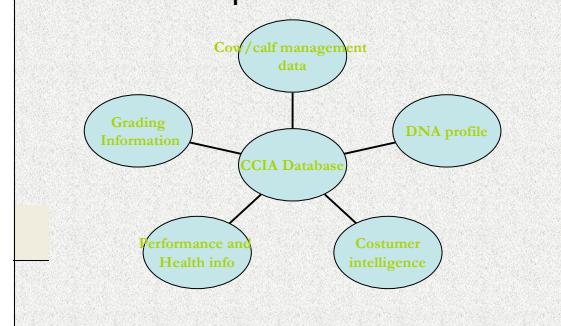
Coordinated Marketing strategies

Production Verification

Research

Information Sharing

Information sharing for continual improvement



Canadian Beef Advantage - Advanced Information Alignment

- Each sector in the value chain providing information to the rest of the chain will demonstrate cooperation in achieving the value proposition with everyone contributing and benefiting.
- All participating Canadian cattle are age and premise verified through the CCIA database (registered as being on VBP)
- All participating feedlots report the arrival of animals to the database and submit specified performance data (non-proprietary) on close out.
- All participating packers and abattoirs submit specified carcass information linked to the animal ID to the CCIA database

Key Deliverables

- Feedback information up and down the chain for continual improvement initiatives
- Provide process verification for: age, source, movement tracking, production processes, special attributes, health and environmental protocols
- Arm our marketers with new tools to develop value-added trade opportunities both domestically and internationally.
- Identify superior performers in the area of grade and yield, performance, health, and fertility; then distribute their DNA characteristics back to the genetics industry

Potential results

- Movement of information up and down the value chain
- More defined breeding, feeding and marketing strategies
- Improving our overall herd can result in several hundred dollars per head by eliminating poor performers or creating more superior performers; up to \$400/head.
- More coordinated and informed industry

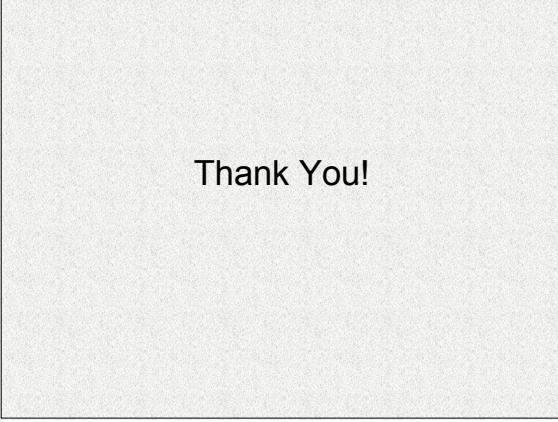
KEY Principles

1. Industry must control the process
2. It must be market not government driven
3. It will move at the speed of technology that makes it feasible for market adoption
4. Producers will decide when mandatory requirements need to be enacted

There is no guarantee of success, there is risk of failure... but the benefits make it worth the risk.

Those people that succeed in this world are those who look for the circumstances they want...and if they cannot find them, they create them.

-George Bernard Shaw



Thank You!