



Canadian Beef Breeds Council

Purebred Risk Assessment (PBRA) Project
BIF 08 Beef Beyond Borders Symposium

Presented by
 Herb McLane, CBBC Executive Vice President
 Duncan J. Porteous, Project Manager



July 1, 2008



Canadian Beef Breeds Council



Vision Statement

“The relevance, profitable growth and innovative advancement of Canadian purebred beef cattle genetics.”





PBRA Project task:


Develop business risk mitigation solutions and tools for Canadian purebred beef cattle producers

Definition of Risk:

Risk includes anything that has the potential to prevent the growth, advancement or success of purebred beef sector



Perils/Risk Assessment




- Survey:
 - Purebred producers
 - Purebred commercial customers
- Focus groups
- Analysis of sector communications



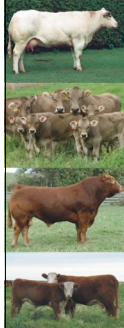
Identified key risk areas:



- Sector Relevance/Value Proposition
- Financial Services, Product Pricing, COP
- Flow of Genetic and Financial Information
- Business Model, Sector Charter, Sharing of Resources
- Training products and services
- International Trade
- Communications /key messaging



Risk Assessment



Overall findings:

- Purebred beef industry decentralized
- Lack of consensus
- Lacks of common understanding/agreement:
 - Partnering to address risk
 - Value of product to industry
 - Strategies for success
- No succession planning
- Minimal use of insurance
- Weak communication



Risk Mitigation Solutions & Tools



- Improve access to debt and equity capital
- Ensure Public programs are purebred sensitive
- Increase competitive advantage through training
- Develop strategic business financial models
- Results focused strategies



Work in progress

Access debt and equity capital:


- Develop collaboratively specific loan products
- Create private sector investment funds

Managing Production and Marketing Costs:

- Develop Cost of Production and Marketing financial analysis models

Sales Reporting:

- Develop a national sales reporting system




Product Pricing:

- Develop economic models that identify and reflect: genetic value; cost of production; marketing; fair return on time, labor/lifestyle; profit margin

Flow of information

- Strengthen flow of information through the beef value chain: relationships; linkages; data; national genome bank; breed associations



Work in progress

Special areas:

- Training
- Taxation
- Private and public insurance risk mitigation initiatives
- Animal Pedigree Act
- Risk mitigation communications



PBRA Project Leadership team

Allan Marshall, Chairman

Don Mackenzie, CBBC President; CBBC directors **Doug Fee**, **Neil Gillies**, **Bruce Holmquist**, & **Gordon Stephenson**; **Herb McLane**, CBBC Executive Vice President, & **Doris Rempel**, Executive Assistant

Duncan J. Porteous, Project Manager

Jill Hilderman, Communications

The Canadian Beef Breeds Council acknowledges and thanks the Private Sector Risk Management Partnerships (PSRMP), a program of Agriculture and Agri-Food Canada and part of the Agricultural Policy Framework – Business Risk Management, for their support that makes the PBRA project possible.

www.canadianbeefbreeds.com