



Five Nations Beef Alliance Conference
October 20-21, 2011
Cancun, México

MINUTES

ATTENDEES:

AUSTRALIA:

- | | |
|--------------------|----------------------------|
| 1. Andrew Ogilvie | Cattle Council Australia |
| 2. David Inall | Cattle Council Australia |
| 3. Jed Matz | Cattle Council Australia |
| 4. Andrew McCallum | Meat & Livestock Australia |
| 5. Stephen Edwards | Meat & Livestock Australia |

CANADA:

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| 6. Travis Toews | Canadian Cattlemen's Association |
| 7. Martin Unrau | Canadian Cattlemen's Association |
| 8. Dennis Laycraft | Canadian Cattlemen's Association |
| 9. John Masswohl | Canadian Cattlemen's Association |
| 10. Fawn Jackson | Canadian Cattlemen's Association |
| 11. Kim O'Neil | Canadian Embassy in México |

MEXICO:

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| 12. Oswaldo Cházaro | Confederación Nal. de Organizaciones Ganaderas |
| 13. Salvador Alvarez | Confederación Nal. de Organizaciones Ganaderas |
| 14. Adrian de la Garza | Confederación Nal. de Organizaciones Ganaderas |
| 15. Luis Sierra | Confederación Nal. de Organizaciones Ganaderas |
| 16. Luis Zepeda | Confederación Nal. de Organizaciones Ganaderas |
| 17. Adalberto Maldonado | Confederación Nal. de Organizaciones Ganaderas |
| 18. Edmundo Astiazarán | Confederación Nal. de Organizaciones Ganaderas |
| 19. Andres Piedra | Confederación Nal. de Organizaciones Ganaderas |
| 20. Cesar Ocaña | Confederación Nal. de Organizaciones Ganaderas |
| 21. Juan Ramón González | Confederación Nal. de Organizaciones Ganaderas |

NEW ZEALAND:

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| 22. James Parsons | Beef+Lamb New Zealand Ltd. |
| 23. Ben O'Brien | Beef+Lamb New Zealand Ltd. |
| 24. Andrew Burrt | Beef+Lamb New Zealand Ltd. |

UNITED STATES:

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| 25. Bill Donald | National Cattlemen's Beef Association |
| 26. J.D. Alexander | National Cattlemen's Beef Association |
| 27. Forrest Roberts | National Cattlemen's Beef Association |
| 28. Tamara Thies | National Cattlemen's Beef Association |
| 29. Kent Bacus | National Cattlemen's Beef Association |

YOUNG RANCHERS GROUP:

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| 30. Lindsay Smith | Canadian Cattlemen's Association |
| 31. Sheldon Kyle | Canadian Cattlemen's Association |
| 32. Oswaldo Cházaro Jr. | Confederación Nal. de Organizaciones Ganaderas |
| 33. Richard Morrison | Beef+Lamb New Zealand |
| 34. Holly Foster | National Cattlemen's Beef Association |
| 35. J.W. Wood | National Cattlemen's Beef Association |
| 36. Ansen Pond | Texas Tech University |
| 37. James Mortensen | Adams State College |

FNBA Secretariat:

38. Saul Mercado

SUMMARY

Day one (October 20, 2011):

The Conference was presided by Salvador Alvarez, Secretary of CNOG and moderated by Saul Mercado (FNBA)

Opening Session:

Salvador Alvarez opened the session on behalf of CNOG and welcomed the attendees emphasizing the importance of the Alliance.

Opening comments were expressed by Andrew Ogilvie (Australia), Travis Toews (Canada), James Parson (New Zealand) and Bill Donald (USA).

Current Situation and Challenges of the Cattle Industry:

A description of the current status of the cattle industry in the different countries was presented by:

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| David Inall | Australia |
| Dennis Laycraft | Canada |
| Salvador Alvarez/Andres Piedra | México |
| Ben O'Brien | New Zealand |
| Forrest Roberts | United States |

Review of last Conference Points of Action:

Saul Mercado presented an updated list of actions and their current status.

On our request to FAO for "Observer Status", Forrest Roberts informed that Dr. Elizabeth Parker has followed up with FAO. They have asked us to participate

more actively in international for a related to beef, contributing with experts on the discussions. Ben O'Brien mentioned that New Zealand has been involved and engaged in different venues in Europe.

Dennis Laycraft suggested participating in OIE meetings more actively in technical standards.

The importance of participating in the next IMS congress in Paris was mentioned as well.

It was agreed to continue with these efforts as a group.

On the Young Ranchers Program, most actions were completed. Still pending is an effort to find commercial sponsors.

The items of CEOs intermediate gathering, Market Access and Trade Policy, and Climate Change issues were completed or ongoing.

David Inall agreed to distribute their information on Carbon Dioxide Calculation in the Life Cycle Analysis for Beef and information on water footprint.

Sustainable Beef Production:

Forrest Roberts took the lead on this issue. He mentioned that NCBA recently participated in an IMS meeting on sustainability in London. He also described how NCBA is working on a partnership project with BASF on sustainable beef production. Acknowledging that "sustainability is a journey, not a destination", NCBA and BASF agreed that the beef industry should focus on a continuous progress toward producing more sustainable beef over time.

He also mentioned that NCBA is working on a Beef Sustainable Assessment Project and introduced Tamara Thies, who has been assigned to coordinate all efforts on this issue on behalf of NCBA staff.

Tamara described the 5 steps of the assessment study:

- 1.- Perform a "hot spot" analysis to determine what is the public perception on beef in the US.
- 2.- Conduct a baseline sustainability analysis or Eco-efficiency including the social aspects
- 3.- Develop an "on line" tool to assist producers evaluate the sustainability of their operations.
- 4.- Develop a traceability program for food safety reasons.
- 5.- Submit the sustainability analysis for certification

This study will be funded by the checkoff program.

The study is important because it will do the following:

- Improve public perception
- Provide an opportunity to demonstrate responsibility and commitment to change the course before others impose their policies on us.
- Educate producers

Forrest also announced the creation of a "Beef Sustainability Center" in NCBA to concentrate efforts and information. The initiative is run by the industry and will be a forum to work together. A summit will be organized to launch projects.

The implication for FNBA is that our organization could play a leadership role on beef sustainability in the world.

Ben O'Brien talked about New Zealand efforts on this issue. They have been working on a sheep initiative in close coordination with Europe, particularly with England.

David Inall mentioned that they organized a round table and several follow-up conference calls on the topic after returning from the meeting in Denver in November 2010. He pointed out the need to define how or where Animal Welfare fits in the sustainability complex.

David expressed their concern about the reduction of the Australian government on extension services and the increased pressure on producers by activists and NGO groups on sustainability.

Salvador Alvarez said that the situation in Mexico is different. The activists groups are not very active yet. However, CNOG recognizes the importance to be responsible with the environment and the challenges to attend the social aspects. The Mexican government has implemented programs to promote the sustainable utilization of natural resources. The producer is the first one interested in protecting these resources.

In the last 3 or 4 years, efforts to establish "green commitments" with the producers have been made, for example in reforestation and utilization of methane to produce energy in dairy farms. Another important law is the one implemented to find more efficient ways to use and manage water resources in the country. Mexico is slowly making progress on environmental issues. It is important to learn what other nations are doing in order to prevent problems that are occurring in other latitudes.

Fawn Jackson made a presentation about CCA involvement in this important issue. CCA has created an environmental committee to understand and encourage sustainable practices and make sure that the public understands how Canadian producers are environmentally responsible and custodians of natural resources. She listed the different activities in which they are involved such as:

- Respond to editorials and articles
- Share messages with stakeholders
- Blog posts, twitter, facebook and web sites
- Life cycle analysis
- Best practices with animal care
- Transport research

She described how they are reaching out with beef advocates and action news. Fawn mentioned CCA's willingness to work together in a global respond/message on sustainability.

Forrest Roberts led the open discussion considering the following assumptions:

- Strategies should be non competitive in nature.
- Consider sustainability as a journey not a destination.
- Triple bottom line alignment:
 - Economic impact
 - Environmental
 - Social impact

The areas of synergy are:

- Research. Assessments/consistent model
- Advocacy program with consistent message to increase global reach
- Global leadership via FNBA. Lead the conversation vs. reacting to others

Bill Donald pointed out the importance of communication with NGOs like WWF, because they have access to many people. We need to find a way to get them involved with our message.

Tamara Thies said this is not a competitive issue; we all can be more sustainable.

Delegates from New Zealand, Canada, Australia and Mexico agreed with the concepts exposed by the US delegation.

Salvador Alvarez suggested that the joint statement should be consistent and serve as a basis for the five organizations working on defined actions.

J D Alexander stressed the importance of having a uniform message with defined guidelines as a basis for a “game plan”.

Bill Donald said it is important to be proactive and tell our story saying who we are.

Travis Toews said it is challenging but we need a structure with measurable goals. He suggested to be committed to participate in the Conference Calls organized by the FNBA Secretariat to share results, keep an inventory of information, follow-up and prepare reports.

He also indicated the importance to share messages to counter the misinformation, non-true assumptions and negative perceptions.

Andrew Ogilvie said we need to decide who we establish a dialogue with on this issue.

James Parsons pointed out the importance to have a single defined methodology. “If you can’t measure it, you can’t manage it”, he said. He suggested to work on some timelines in our next conference calls.

New Zealand will participate in related meetings in Europe next month and committed to share results with Saul Mercado for distribution and discussion in our next conference call.

Forrest, Tamara and Saul will put together a base document to lead the conference call discussion.

Traceability and Animal ID National Systems:

David Inall presented the Australia Animal ID and Traceability system. He mentioned that this program is mandatory since 2005. There is a Central Data Base. There is an obligation to report any cattle movement to the NLIS database.

Travis Toews and Dennis Laycraft presented the Canadian system. It is mandatory since 2001. It was totally converted into a RFID system in 2005 and it has been crucial to reopen the world markets for Canadian beef after BSE.

The main participants are:

- CCA (Canadian Cattlemen's Association)
- CCIA (Canadian Cattlemen's Identification Agency)
- CFIA (Canadian government inspection agency)
- Dairy Farmers of Canada

Key components are:

- Animal ID
- Premises ID
- Movement of animals
- Funding/Costs
- Regulation/Standards
- Information Management
- Communications

There is also a voluntary program called BIXS (Beef Information Exchange Service, which provides "value" back to the producer

Esteban Labranderos presented SINIIGA, the animal ID system in Mexico. It is visual ID based. They have more than 16 million head of cattle in the system. The system is run by CNOG in coordination with the Secretary of Agriculture. It started enrolling cattle involved in a government support program as a condition to get subsidies. It will become mandatory for all cattle movement. The system is also implemented in sheep.

Ben O'Brien presented the New Zealand plan. It will become mandatory as of July 1, 2012 and all cattle must have an electronic tag.

They started in 1998 with a visual tag.

The program applies to beef and dairy cattle and deer.

The system includes third party providers to read the ID for producers who do not have or do not want to invest in the equipment.

The program will be implemented for food safety purposes.

NCBA delegation explained that the United States does not have a national ID and Traceability system in place yet. USDA-APHIS recently published a proposal

for a Animal Disease Traceability (ADT) program that is out for comments until December 2011.

Day two (October 21, 2011):

After the official group photograph was taken, the session continued presided by Oswaldo Cházaro (CNOG President) and moderated by Saul Mercado (FNBA).

Country of Origin Label (COOL):

John Masswohl gave a brief update on the COOL dispute.

Forrest mentioned a study conducted by a large supermarket chain which showed that the implementation of COOL law did not provide any value to the retailers.

Kent Bacus said that NCBA has sent a directive to USTR (US Trade Representative) not to appeal if the WTO resolution is against the US.

Oswaldo Cházaro acknowledged and thanked NCBA position on this issue.

Young Ranchers Program:

Saul Mercado and Kim O'Neil described the last Young Ranchers Program held in Denver, in January 2011. The video put together by the participants was shown. Oswaldo Cházaro Jr. led the Young Ranchers group presentation. They exposed their points of view about their experience and narrated their round table held at the Canadian Embassy in Mexico City on Monday, October 17, 2011.

Forrest Roberts pointed out the importance to have the young ranchers group integrated in the FNBA Conference from now on.

Dennis Laycraft suggested inviting the Young Ranchers Program alumni of the hosting country to participate during the FNBA Conference to meet the new participants.

Salvador Alvarez suggested exploring and contacting foundations to become sponsors of participants.

Oswaldo Cházaro said it is important to strengthen the program allocating eventually necessary resources.

Forrest said he will report to Barb Wilkinson (NCBA leadership program director) to coordinate efforts with NCBA Young Producers Council.

He also mentioned that NCBA will explore sponsor possibilities with private companies such as Pfizer, Elanco, John Deere, Allflex, etc..

Dennis mentioned the Brad Wildeman CCA past president) established a foundation involving Cargill to support CCA youth program.

James Parson said they will see how this program fits in their leadership program in New Zealand.

David Inall mentioned that he will make sure Cattle Council Australia sends a young producer to the next program. They are committed to support the development of new leaders in the industry.

The young ranchers agreed to have the program in conjunction with FNBA Conference. They also suggested inviting local media to accompany the group in the tours/meetings.

FNBA Expansion:

Saul Mercado informed that AACREA in Argentina could not get a consensus of the other three associations in time for them to attend our conference. However, they remain interested and will continue with their efforts.

Saul also reported his communications with CNA (National Agricultural Council) of Brazil. The head of the livestock section within this organization, Mr. Paulo Mustefaga has not responded yet. Saul will follow-up.

It was agreed to continue contacting other country association.

John Masswohl suggested FNBA to reach out to some European countries. Not necessarily to invite them to join the Alliance, but at least to engage with them in specific issues.

Ben O'Brien agreed with this suggestion and mentioned that New Zealand works closely with some of them, particularly with Great Britain.

International Standards:

Dennis Laycraft emphasized the need to speak with a unified voice in these international institutions, like Codex, to promote policies based on sound science.

It was agreed to discuss this topic further during the next CEO intermediate meeting.

Kent Bacus informed about an upcoming meeting between the US government and the new FAO general director. NCBA is asking the US representative to meet. All delegates agreed that it is important to participate with a one strong voice.

NCBA will communicate the dates of the meeting to the FNBA members.

Administrative issues:

- Secretariat will continue "business as usual" until next CEOs meeting.
- Forrest Roberts, on behalf of NCBA, proposed to change the frequency of the FNBA Conference from 18 months to 12 months. This will facilitate the participation of the Young Ranchers group. Proposal approved.
- CEOs intermediate meeting: Forrest proposed to have two CEOs meeting this time due to the importance of keeping the momentum on the Sustainability issue. He proposed and the delegates approved the following (exact dates to be confirmed):
 - February 2012 in Nashville, Tennessee right after NCBA Convention.
 - June 2012 in Paris, France during IMS congress.
- Location of next FNBA Conference: CCA proposed September 17-21, 2012 in western Canada (Vancouver) which was approved.

Joint Statement

A declaration of principles or joint statement was written based on the one signed during the last Conference in New Zealand, adding to it the updated issues discussed in this session. After a careful review, the Statement was signed by the leaders of the five organizations and the 2011 FNBA Conference was adjourned.