

News from

Manitoba Cattle Enhancement Council
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For Immediate Release

MCEC: One Year Later

Winnipeg MB, August 15, 2007 – It has been one year since the \$2 beef industry development levy on all cattle sold in Manitoba was introduced and Manitoba Cattle Enhancement Council (MCEC) Executive Director Kathleen Butler reports the organization is actively reviewing several funding applications, including a proposal for new slaughter facility in western Manitoba, upgrading an existing eastern Manitoba provincially-inspected plant to meet federal standards and a proposal for a plant dedicated exclusively to processing organically-produced ground beef.

Butler explains that these types of operations meet MCEC's mandate to support a strong, made-in-Manitoba beef industry that offers producers secure, local markets for their animals and reduces the risk of a repeat of the chaos the industry experienced during the last BSE-triggered U.S. embargo.

From a business development standpoint, she says, MCEC sets up a classic win:win situation for producers, processors and consumers. MCEC collects a refundable levy of \$2 per head on all cattle sold in Manitoba. For the first three years, the Manitoba Government matches all retained levy revenues. "Producers get \$4 worth of industry development funding for every \$2 they invest," she says.

That money is made available to support beef industry-enhancing projects. "For producers, she says, "it means they double their investment in their future. For processors, it means access to capital at lower cost and on more favourable terms than other venture capital sources."

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She admits the Council's first year has presented challenges, particularly when a proposal from a producer group operating as Ranchers Choice for a processing plant in Dauphin, Manitoba failed. "A large number of people put a lot of work into that project and expectations were high. MCEC agreed to fund a portion of the proposal, conditional upon the applicant obtaining satisfactory bank financing. Unfortunately, that was not obtained."

Butler reports that response to a recent invitation to beef industry leaders to an information session indicates the concept has a solid core of industry support. "We've issued gold-plated invitations to people with innovative ideas to build a stronger beef industry to talk to us," she says. "And we've had some interesting responses. Our task now is to carefully review the proposals to make sure there are benefits for both producers and processors in the proposals."

Producer support is also growing, she says. "There has been no significant increase in the number of refund requests despite efforts by some of our opponents to undermine the fund," she says. "Many producers recognize they have to invest in their industry to keep it strong and profitable. Nobody wants a repeat of the BSE issue. Where else can you get a deal where the government is prepared to match your industry development dollars one-for-one?"

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