

For Immediate Release

MCEC joins federal government in offering financial support to Manitoba beef plant

Keystone Processors to receive up to \$17.5 million from MCEC and Ottawa for upgrades

Winnipeg, November 2, 2009 – The Manitoba cattle industry moved a big step closer to long-term sustainability today as the Manitoba Cattle Enhancement Council (MCEC) and the federal government announced up to \$17.5 million in funding for Keystone Processors Ltd.

Manitoba Minister of Agriculture, Food and Rural Initiatives Rosann Wowchuk noted the MCEC was investing up to \$7.5 million in Keystone Processors Ltd., and Federal Agriculture Minister Gerry Ritz announced Keystone Processors Ltd. would receive a loan of up to \$10 million for plant upgrades that will qualify it for export markets.

“This is great news for our producers, our cattle industry and our province. It means we will finally have a federally certified beef plant in the province that can access all major domestic and international markets,” said Kate Butler, Executive Director of MCEC. “On behalf of MCEC I would like to thank the cattle producers of this province for their support. Times are very tight and every \$2 we retain in the MCEC fund helps us to build a stronger industry here at home.”

MCEC manages an investment pool that is funded by Manitoba cattle producers through a \$2 per head levy on all cattle produced and sold in the province and a matching grant from the provincial government. The council’s mandate is to invest in initiatives that will lead to increased slaughtering and processing capacity in Manitoba, or that will enhance the market for value-added cattle products.

MCEC was already a major investor in Keystone Processors Ltd. having committed \$2.8 million to purchase the former Maple Leaf pork plant at 663 Marion St. and start the first phase of renovations.

“Keystone Processors has a solid business plan to market premium, branded Manitoba beef to niche markets around the world,” said Butler. “The Manitoba industry has been stunted for years without access to federally-inspected beef facilities here at home. Rising transportation and feed costs as well as trade irritants have made it clear that shipping live animals across the continent is risky, inefficient and bad for the environment.”

The province created MCEC in 2006 in the wake of the BSE crisis that closed the U.S. border to Canadian beef. Manitoba producers were effectively shut out of the limited slaughter and



processing facilities in Ontario and Alberta. Cattle numbers soared, prices plummeted and Manitoba cattle producers fared worse than most. Recently, the industry has been impacted by the effect of U.S. Country of Origin Labelling, reinforcing the need for local slaughter capacity.

For more information on the council and to sign up for MCEC news by email, please visit www.mancec.com.

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