

# Western Stock Growers' Association

## *Newsletter*

October 2016 Volume 4, Issue 3



## **WSGA SUMMER MEETING**

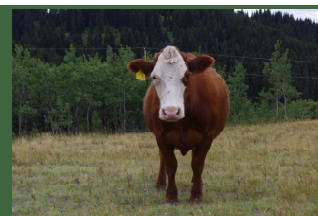
This year's WSGA Annual Summer Meeting, held August 22 and 23, took a different format than previous years. "We changed to a more overall informative meeting for our members," says WSGA president Aaron Brower. "It was beneficial to discuss the issues and projects WSGA is involved in with a wider group. The directors on the board are always open to talk to members but it doesn't always happen. This meeting is another way of opening conversation with our membership."

We also had a number of other organizations update the membership as well. Presentations were made to the meeting by Alberta Environment and Parks Rangeland Division, Livestock Identification Services, Sustainable Canada and Alberta Grazing Leaseholders Association. We also had reports from the WSGA reps on the Bill 6 consultations and the Land Agents Advisory Committee. "There was lots of great information and discussion of issues at this year's meeting. The new format was well received so we will adopt this format going forward," says Brower.



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## **WSGA Summer meeting tour**

The tour the following day highlighted grazing in the Castle Valley. Amidst spectacular views we discussed the challenge of multiple land use, wildlife predation and management, water access for cattle, managing cattle in the forestry and tree encroachment.



## **LIS Phasing in e-Manifest**

On a yearly basis Livestock Identification Services (LIS) distributes close to 250,000 paper manifests for use by the livestock industry. LIS is developing an electronic manifest in an attempt to enable producers to complete the form online and print a copy to accompany the livestock.

The first stage of the application being implemented is for transport only. "This will ensure the product performs as expected and enables LIS to develop the eManifest in stages," says LIS general manager Shawn McLean. The initial backend design took into consider-

ation that users would have to interface and share certain data, these data fields are already in place with the links mapped.

The next stage under development is to interface with the receiver of the livestock and then add the inspector portion. "This is a very large project and will take some time to complete," says McLean. "But LIS is committed to it and will work with industry to ensure the end product will be better than the paper version."

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## Western Feedlots shutdown a sign of widespread industry pain


(reprinted from Calgary Herald)

The announced shutdown of Western Feedlots Ltd., one of the country's largest cattle feeders, continued to reverberate throughout Alberta's cattle country. At feedlots big and small, operators were shaken by news that one of the most respected players in the industry was calling it quits. If this can happen to Western, some said — a company that's been in business since 1958 and is credited with launching Alberta's commercial feedlot industry — it's an indication of just how much financial pain the sector is in. "They ran just a top-notch operation . . . Western was very well-run," said Ben Thorlakson of Thorlakson Feedyards near Airdrie. "It speaks volumes that they have decided — with all the tools they have to work with and the management talent they have — to hit the pause button, if not the exit button."

Western Feedlots — which has sites near Strathmore, High River and Mossleigh, with standing capacity for 100,000 head — said Wednesday it will idle its operations in early 2017 after it finishes marketing the cattle it currently owns. The company blamed volatility in the cattle markets for creating a "high risk, low reward" environment. Alberta cattle prices surged to record heights in 2014 and 2015, but have since plummeted — meaning feedlot owners bought animals at high prices and now have no choice but to sell them at a major loss. "Last year, the profitability was — well, there wasn't any," Thorlakson said. "And I believe this year is going to be a difficult year, and it's going to reverberate all through the agricultural economy."

The entire North American feedlot industry is experiencing losses as a result of current cattle prices. But Dave Plett, Western president and CEO, also pinned some of the blame for his company's woes on Alberta's NDP government, saying a "poor political and economic environment" contributed to his company's decision to wind down operations.

Ballco Feeders president Jeff Ball said that while he can't speak for Western's management, he has seen cost increases at his own feedlot near Brant, as a result of government policy. The NDP's controversial farm safety legislation, which requires all agricultural employers to have WCB coverage for their workers, has meant Ball has to pay four times what he was paying previously for private insurance for his employees. He said he is also "bracing" for the Jan. 1 implementation of the province's new carbon tax, which the Alberta Cattle Feeders' Association estimates will cost its members between \$6 and \$7 per head. "These are increases in our overhead cost structure, and it's hard to extract that out of a commodity market when we're competing globally," Ball said. "And you also have to wonder, what else is coming down the pipeline? It's a very unnerving feeling operating in a climate where it appears there are going to be rapid increases in costs."



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Photo Credit: Lee Gundersen

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This is ALMA's final Future Fare event, so don't miss out on the opportunity to attend! Future-Fare 2016 will continue to highlight achievements of our industry and academia partners, while celebrating the journey of ALMA since inception. It will also provide an important opportunity for industry to network, open up new collaboration opportunities and learn more about how ALMA programs will be administered



**OCTOBER 13, 2016**  
**EDMONTON DELTA**  
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Go to [ALMA.alberta.ca](http://ALMA.alberta.ca)  
to register!

## New Proposal for Grazing Disposition Rates

Grazing lease rental rates and assignment fees in Alberta have been frozen since 1994 following concerns raised by both government and the beef industry about how grazing disposition rental rates and assignment fees were calculated. The fees were frozen until a review could be completed.

In 2014 and 2015 a working group consisting of representatives from Western Stock Growers' Association, Alberta Grazing Leaseholders Association, the Alberta Beef Producers and the Northern Alberta Grazing Leaseholders Association met several times to consult on the creation of a new framework for rental rates and assignment fees.

It was decided an up-to-date lease cost study should be undertaken across the province to help get a better

understanding of the financial and in-kind costs incurred by Alberta's ranching community, specifically to identify the "in-kind" part of the fees paid by the industry for grazing cattle on public lands. This cost study was conducted by MNP and the final report was just submitted.

Now that the lease cost study is complete, Alberta Environment and Parks will proceed with submitting the new proposal to government and get the ball rolling on these changes. It will not be a quick process given that there has to be legislative changes. The hope is the phase-in of the new rates can begin in late 2017.

For more information on the Grazing Disposition Royalty Proposal check out the Hot Topics on the WSGA homepage. [www.wsga.ca](http://www.wsga.ca)



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