



CANADIAN BEEF CHECK-OFF AGENCY

146, 6715 8th Street NE
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MARKET DEVELOPMENT & PROMOTION COMMITTEE AGENDA – Draft B

June 14, 2023, 8:30am-11:30am mountain (10:30am – 1:30pm eastern)

via Microsoft Teams Video Conference Call

1.	Welcome and Roll Call	R.Mallard	8:30am
2.	Approval of Agenda	R.Mallard	8:35am
3.	Approval of Minutes	R.Mallard	8:40am
	a) MDP Meeting April 19, 2023		
4.	Business Arising from Minutes	All	8:40am
5.	Financial Report (draft March 2023) and audit update	J.Chaffe/M.Shittu	8:45am
6.	President's Report	M.Young	9:00am
7.	Product of USA Labelling Update	M.Klassen	9:30am
8.	Canada Beef's Initiatives for Food Service	M.Klassen	9:45am
9.	International Staff Program Updates		
	• Taiwan and Vietnam	D.Kao	10:00am
	• Japan and South Korea	I.Kiyotomi	10:10am
	• Mexico and Latin America	C.Herrera-Blanc	10:20am
	• Hong Kong, Emerging Markets and EMD	A.Eringfeld	10:30am
10.	President Recruitment Update	R.Mallard/M.Young	10:40am
11.	Governance Workshop Recommendations for MDP Committee	M.Young/R.Glaser	10:50am
12.	Committee Roundtable Updates (as needed)	All Committee Members	11:00am
13.	Key dates for 2023	R.Glaser	11:25pm
	Canadian Beef Industry Conference, August 15-17, 2023		
	• Agency AGM, August 15, 2023		
	• Canada Beef 50 th Anniversary Luncheon, August 15, 2023		
	• MDP Committee photos, August 15, 2023		
	• MDP Meeting – Executive Elections, August 15, 2023		
	• October in-person MDP meeting – possibly in PEI or Mississauga		
14.	Other Business	All	11:30am
15.	In-camera (as needed)	R.Mallard	

16. Adjournment





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MARKET DEVELOPMENT & PROMOTION COMMITTEE MEETING AND VIDEO CONFERENCE CALL MINUTES - Draft

April 19, 2023, 8:00am-12:30pm (mountain) Committee Meeting Canada Beef Boardroom, Deerfoot Atrium, Calgary, AB

Directors Present

Russ Mallard
Jack Chaffe
Coral Manastersky
Andre Forget
Jennifer Haley
John Curtis
Cam Daniels
Chad Ross
Clay Holmes
Stephen Christie
Cameron Blake
Jeff Cline

Guests

Jim Clark, OCFA
Julie Mortensen

Regrets

Mike Guest
Lindsay Roberts, ABP

Staff Present

Michael Young
Michael Shittu
Mark Klassen
Ron Glaser
Matt Pare
Joyce Parslow
Michele McAdoo
Kelly Hyde
Karine Rekunyk
Albert Eringfeld
Cam Pappel
Shelby VanSickle
Gina Teel

1. Welcome and Call to Order

R.Mallard called the meeting to order at 8:00am Mountain.

2. Approval of Agenda

MOTION: The agenda was reviewed and approved on a motion by J.Cline/C.Manastersky.

3. Approval of Minutes

MOTION: The Minutes of the MDP Committee Meeting November 16, 2022 were reviewed and approved on a motion by S.Christie/C.Ross.

4. Finance and Budget Update

Finance Chair J.Chaffe and M.Shittu provided a high level financial update to the Committee covering 11 months of the fiscal year to February 28, 2023 based on statements circulated to

the Committee. The Committee was reminded that the reports are specific to Canada Beef and do not cover the NCO Board.

The balance sheet to the end of February showed a total assets position of approximately \$14.7 million and liabilities of \$2 million for a net asset position of just over \$12.6 million. This includes \$7.3 million in cash and cash equivalents (money in a premium investment account with RBC) and accounts receivable of \$2.6 million (check-off receivables and repayments due from the CAP program).

The statement of revenues and expenses show a year-to-date deficit of approximately \$543,491 versus a budgeted deficit of \$2.558 million for the full year. The main source of funding for Canada Beef is national check-off projected to be \$10.1 million this year. To date approximately \$9.4 million has been received. Marketing and operating expenses to the end of year are budgeted at just over \$15 million with approximately \$11.7 million expended to the end of February.

Costs for the Board were projected to be \$65,000 for the full year, with about \$38,810 spent to the end of February. These funds cover the four new directors-at-large positions while other committee members are covered under the NCOA board budget.

5. President Recruitment and Search

R.Mallard shared that at the previous NCOA Board meeting, that a Search Committee of four people was formed consisting of Jeff Smith, Trevor Welsh, Chad Ross and Russ Mallard. The Committee will be chaired by R.Mallard. An initial decision has been made to manage the search in-house and not to use a recruiter firm. The intent is to hire by this summer so M.Young can work with the new President to manage a smooth handoff by Spring of 2024. M.Young shared that he and potentially other staff will provide administrative support but that the hiring recommendation will be made solely by the search committee to the NCOA Board. We are already aware of interest in the role from strong candidates.

6. President's Report

M.Young shared that Canada Beef will be celebrating 50 years of beef marketing services in 2023. He presented a comprehensive overview of: the initial establishment of the Beef Information Centre in 1973 to deliver domestic marketing services, the establishment of the Canada Beef Export Federation in 1989 to deliver international offshore marketing services, Beef Marketing Services International in 1999 to deliver branded marketing services in the U.S. market in response to COL, and the establishment of Canada Beef in 2011. M.Young highlighted program, market and operational highlights over the years (such as COL, BSE, merger of marketing groups, import levy, CBCE). **Action item:** R.Mallard directed that a history document highlighting the evolution of the beef marketing organization be included in future MDP Committee orientation materials.

7. Canada Beef HR Update

R.Glaser provided an HR update. Since the previous Committee meeting a number of changes were made to the staff team. Two new hires have joined the Channel Market Development

team including Shelby VanSickle as Senior Director, Channel Marketing, and Todd Van Eyk as merchandising Manager, Channel Marketing. These new hires will enable the organization to move forward with its goals in the domestic channel market. As well, full time contract support was brought on in the South Korea and Vietnam markets to help meet the growing demand for Canadian beef marketing support. M.Young shared that due to the continued lock out of Canadian beef from the mainland China market, that the China team will be further reduced to a single position to support basic market communications and legal registration in market.

8. SCAP Funding Update

R.Glaser reported Canada Beef's SCAP application has been deemed 'complete' and is now under review. If successful, the new agreement would start April 13, 2023. Canada Beef requested the maximum annual funding amount of \$2 million in match funding per year. SCAP allows for a general 1:1 match – however certain priority markets of interest may qualify for a superior match. The Government's stated service standard for decision-making is 100 days, but they have routinely exceeded that timeframe in the past.

9. Marketing Program Updates

Various staff provided brief program updates in the Channel Marketing, Consumer Marketing, CBCE and Export Market Development areas.

A.Eringfeld provided an update on EMD and ABEMD projects. The EMD program offers cost-shared funding support for eligible branded projects versus cost-covered generic initiatives supported under CAP. The Canada Beef EMD program was created in 2019 and provides 50/50% cost-shared support for all Canadian packer projects. The Alberta Beef Export Market Development (ABEMD) program created in 2019, provides an additional 25% cost-shared support for Alberta-based branded projects when stacked on EMD (75/25%). ABEMD 25% provided through a grant from Alberta Agriculture and Irrigation. Since the introduction of the EMD program in 2019, the initiative has: 147 EMD and ABEMD projects completed; 132 projects supporting all five Alberta packers; 13 projects supporting two Ontario packers; two projects supporting packers in BC and Manitoba; total EMD and ABEMD investment \$1,194,337 million (\$694,337 EMD/NCO\$, \$500,000 ABEMD); total industry investment \$448,375; and total sales increase reported by all EMD program users \$88.6 million. The National EMD program continued in the 2023/24 investment plan. Canada Beef and Alberta Beef team met with the Alberta Agriculture and Irrigation team in February to review program performance and request another \$500,000 grant for the next three years.

M.Klassen provided a global marketing overview including key projects such as: the Beef Quality Reference Tool to enhance understanding of grading in the industry; the Canadian beef environmental virtual tour highlight environmental contributions made at cow/calf, feeding and processing operations with an emphasis on the on-farm aspects that are widely implemented; updated CBA brochure; the establishment of an Expert Advisory Committee on Beef Quality; and applied research on preparation methods.

J.Parlson provided an update on the Burger It Forward campaign launched across the country in eight provinces in February 2023 with the goal to support foodservice recovery at the local level while promoting the local beef supply. This was Canada Beef's first-ever giveback campaign,

partnering with restaurants and regional beef associations to raise funds to support food security efforts. For every campaign burger purchased, Canada Beef donated the equivalent of one meal to Food Banks Canada (up to a maximum value of \$10k). To add to the fund-raising effort, every provincial beef organization came to the table with generous support for the food banks in their region/province. Digital advertising and earned media features encouraged the public to visit participating restaurants to help raise funds for food banks. More than 110 restaurants across the country participated in the campaign resulting in over \$53,000 in donations raised. An estimated 29,261 burgers were sold during the campaign; an average of 174 burgers were sold per location. Restaurants experienced an average sales increase of 24%. With over 36 million impressions from both traditional and social media and 147 unique earned media hits, this campaign earned the advertising equivalent of \$300,000.

M.Klassen provided an update on vPUSA labelling. Protectionist groups in the U.S. have been pushing for an updated country of origin labelling program. The U.S. Government undertook studies and requested comment on the policy and in March 2023 a proposed vPUSA rule was published. The rule stipulates:

- **Authorized Claims:** “Product of USA” and “Made in the USA” would be approved for use on single ingredient products derived from animals born, raised, slaughtered, and processed in the United States. Multiple ingredient product would also be eligible with an exception for spices and flavourings.
- **Qualified Claims:** These qualified claims would need to include a description on the package of all preparation and processing steps (including slaughter) that occurred in the United States upon which the claim is made.
- **No claim is required** but the existing usage of product made from animals born, raised, and slaughtered in another country with processing in the United States can no longer be labeled as “Product of USA.”

In response, Canada Beef has undertaken stakeholder education; reviewing public comments on proposed USDA FSIS rule to aid our response; commissioning expert review of USDA FSIS attitudinal study, and surveying 2,000 U.S. consumers around willingness to pay for authorized and qualified (multi-origin) claims.

K.Rekunyik provided an update on the Government’s National School Food Policy. Canada is currently the only G7 country without a National School Food policy. But that will soon change. This past winter, the Government launched a consultation on the development of a “pan-Canadian school food policy” – and has begun work towards its development. Currently, school food programs exist in some form across the country, however, these only reach 20% of children. The government wants to significantly increase this. Canada Beef has been working on a comprehensive review to support the industry’s efforts to ensure beef’s value on school menus is fully appreciated. This policy has far-reaching implications, potentially impacting attitudes toward beef; positive or negative, and beef purchases.

C.Pappel provided an update on the CBCE Studios – our multi-media production and virtual engagement centre. As part of the CBCE renovations, three new studio spaces were created and the boardroom was upgraded to facilitate digital resource productions. For fiscal 2022/23, 681 videos and 440 total photography sessions were produced. As well, the Centre launched CDN Beef TV – a consumer culinary program that leverages scientific research to develop best practices for consumers to achieve success with Canadian beef. To support the recovery of the food service sector, CBCE captured or repurposed content for 28 videos focused on three series:

Innovative Portions; Trim Utilization; and Opportunity Cuts. CBCE aims to produce 525 original title videos in 2023/24 fiscal along with associated photography and four new CDN Beef TV episodes.

M.Pare provided an update on CBCE Training Solutions directed towards three specialized audiences: trade, consumers, and vocational training. This area was formerly known as the E-Learn program and has been updated with better technology to deliver industry familiarization, product knowledge and butchery and culinary trades course. Over 650 courses were delivered in 2022/23. Consumer-centric modules focused on pot roasting and grilling, while vocational training focused on partnerships with 13 vocational training institutions across Canada.

S.VanSickle provided an update on the Independent Operator Programs highlighting Canada Beef's work to support independent retailers. Independents represent approximately 10% retail volume and sell approximately 79.1 million pounds of beef annually. Due to diverse ownership and physical dispersion of the locations, it is difficult to communicate directly with these operators. Canada Beef is offering an updated catalogue of resources that can be ordered piece-meal versus set kits as was done previously. The Gateway also has tailored options for independent retailers to participate in the program. Canada Beef hopes to assist this channel in combating some commonly noted threats such as slimmer margins and the need for creating points of differentiation versus competitors.

M.McAdoo provided an update on the YouTube subscriber campaign. The consumer marketing team identified a need for recipes for meals to feed two people. The team created 12 new videos to go with these recipes and created the Dinner for Two video subscription campaign. The campaign leveraged the 'YouTube for Action' feature. By showing the creative before a YouTube video, to an audience most likely to take action, Canada Beef maximized the potential by driving people to visit the YouTube homepage and ultimately, subscribe to the channel. The campaign ran from March 1 – 31, 2023 which saw tremendous results with over 9,500 new subscribers to the channel bringing the total to 11,300 subscribers. The top three videos by subscriber growth were Beef Stroganoff Open-Faced Sandwiches (2,819 new subscribers), Personal Taco Pizzas (2,145 new subscribers) and Korean-Style Pan-Fried Steak Strips (1,529 new subscribers).

M.McAdoo also spoke to Canada Beef's E-commerce strategy. Canada Beef is developing an understanding of the on-line retail space for beef products in the Canadian market by conducting an in-depth analysis of Canadian retailers' on-line beef product mix and how it compares to their in-store offerings. Canada Beef is also developing resources to support retailers' on-line beef sales including investigating the ability to add a toolkit using library resources – (artwork, photos, graphs, videos), and providing content and information for retailer on-line beef pages. Canada beef has purchased access to Nielsen IQ Ecommerce data to assist with developing strategy and content.

K.Hyde provided an update on the Retail Gateway program. Canada Beef is proud to be launching the FreshCo Gateway soon. FreshCo is a major retailer in Ontario and is growing in the west. FreshCo is under Sobeys which operates 12 major retail banners. There are approximately 140 FreshCo stores from BC to Ontario. As part of the launch, Canada Beef is working with Cargill to develop barcode labels for FreshCo that will access the Gateway just like a QR code. New gateway features under development will allow provincial producer associations to have

their own Gateway producer information pages highlighting farmers and ranches, the beef production journey and information about the industry and the economic contribution it provides.

M.Klassen provided an overview of the development of a wholesale Gateway application. The wholesale Gateway is targeted to industry personnel to provide training on merchandising/knife skills while referencing culinary applications. It will be accessed through QR codes on wholesale packaging as well as merchandising materials from Canada Beef. Phase I priority products will be developed in consultation with packers. Canada Beef has identified 60 sub-primals (13 opportunity cuts), 16 variety meats, and four trimmings (50,65,85 and 90) for development. Content will be coming to the cdnbeefperforms.ca website in the form of a product catalogue. The goal is to finish videos for 60 cuts by May and launch the wholesale Gateway platform in July 2023.

M.Klassen provided an overview of the 2022/23 Global Stakeholder Satisfaction Study. Survey invitations were sent by email to Canadian stakeholders that were obtained from Canada Beef staff contact lists. Sectors represented by survey respondents were Retail, Food Service, Harvest/Fabrication, Further Processing, Canadian Beef or Veal Brand Owner, Trader, Distributor, Importer, National/Provincial Cattle Association, and Government. Surveys were completed online by respondents in each market using a English or translated questionnaire. Feedback was received from 390 individuals in domestic and international markets. The results from domestic respondents, Canadian exporters and international clients were combined to calculate an overall global satisfaction score of 74%. Typically less than 5% of stakeholders indicated that they were dissatisfied with any of the attributes surveyed. A significant minority noted they were unable to comment which reduced satisfaction scores as in 2022.

There followed a general discussion on the need for Canada Beef to help address the recovery of the foodservice sector in order to maintain the place of beef on the restaurant plate.

10. Committee Roundtable Updates

J.Cline shared that beef prices and cattle prices are at all times highs and they are getting push back from customers. Hopefully market conditions will incentivise herd growth. Export growth has been encouraging overall, particularly in Vietnam. Korea has been a challenge as they have slowed due to COVID and with Canadian product still having a tariff disadvantage. Higher prices are holding back growth in Japan.

C.Holmes shared a tale of two stories. Beef sales have been strong at the chain restaurant level but have not recovered as well with independents. The industry is facing risk on the pricing side as all customers are asking what they can do to manage costs. Customers ability to absorb additional cost increases is very limited.

C.Blake shared that the retail sector is facing a perfect storm with inflation pressures moving shoppers towards discounters. Consumer spend is about the same, however, higher-end products are being removed from the shoppers' basket in favour of value products.

C.Manastersky talked about what the next product claim might be that attracts consumers' attention. She recently heard about 'judicious beef' which is just the judicious use of any

treatment. The claims just being a way to try and leverage a premium. She spoke about the general difficulty in trying to meeting customer requests when beef supply is limited.

C.Daniels discussed how profitability is currently challenged at the packer level after a period of profitability. He also discussed the excellent work and reputation Canada Beef has developed in the trade channel – sharing comments from the principal at Harmony Beef.

S.Christie shared that beef prices are right at the top of affordability for their customers. Customers are asking for solutions and what their product alternatives might be. He sees the industry being in this challenge for at least two years. Labour for foodservice has stabilized but has not necessarily improved. He feels more consolidation is coming for the sector.

J.Chaffe shared that calving is happening across the country. Profit margins will be higher for the cow/calf sector which is needed as producers continue to move to cropping options. The east currently has a cost of gain advantage versus western Canada. The feedlot sector will be under pressure due to calf prices.

R.Mallard discussed the profitability pressure on packers. Shortage of cattle is reducing hours and output. A shift of 15 cents per hundred weight can equal \$150 per head.

J.Mortensen thanked the Committee for allowing her to join the meeting. They are currently calving now. While prices for cow/calf are good, she is concerned that producers are using it as an opportunity to exit the industry. She also spoke about the importance of promoting the healthfulness of beef with consumers.

C.Ross discussed the need for producers to have gratitude for current prices as they were challenged for profitability for a long time. He discussed the need for better uptake of risk management tools to help producers manage price variability. Producers seem to have confidence in their industry groups as check-off refundability is very low in his region.

J.Curtis is concerned that high cattle prices will lead to higher food prices and he is wondering who will be able to buy the product? He is pessimistic that processor profitability will suffer for the next year.

J.Haley shared that the veal sector's challenges are no different that what the beef sector is facing. Veal is not being offered on feature due to supply issues. European imports continue to stream in with virtually no opportunities for Canadian producers to export to Europe. Higher prices are limiting consumer purchasing. She also discussed how dairy on beef production is cannibalizing the veal sector.

A.Forget shared that the herd size hit a record low and that Quebec producers are facing the same challenges as other parts of Canada. The U.S. east coast is supporting the sector currently but the risk of recession in the States could change that quickly.

11. Key Dates/Next Meeting

- MDP video conference meeting, June 14, 2023, at 8:30am mountain.

- Canadian Beef Industry Conference, Check-off Agency AGM, MDP Committee Meeting August 15, 2023
- Canada Beef 50th Anniversary Luncheon August 15, 2023
- October in-person MDP meeting – possibly in PEI with Toronto as a backup.

12. Other Business

J.Chaffe shared that the Canadian Beef Grading Agency (CBGA) will be holding its AGM in June. J.Chaffe will be attending and will follow up on Canada Beef's request to become an observer on the CBGA Board to facilitate a higher level of communication and alignment between the two groups.

R.Mallard discussed the committee governance review undertaken by the Check-off Agency and the recommendations regarding the MDP Committee. Canada Beef will be working with Agency staff to address the recommendations from the review.

13. Adjournment

MOTION: *Meeting was adjourned at 3:45pm on a motion by S.Christie.*

Draft and Confidential



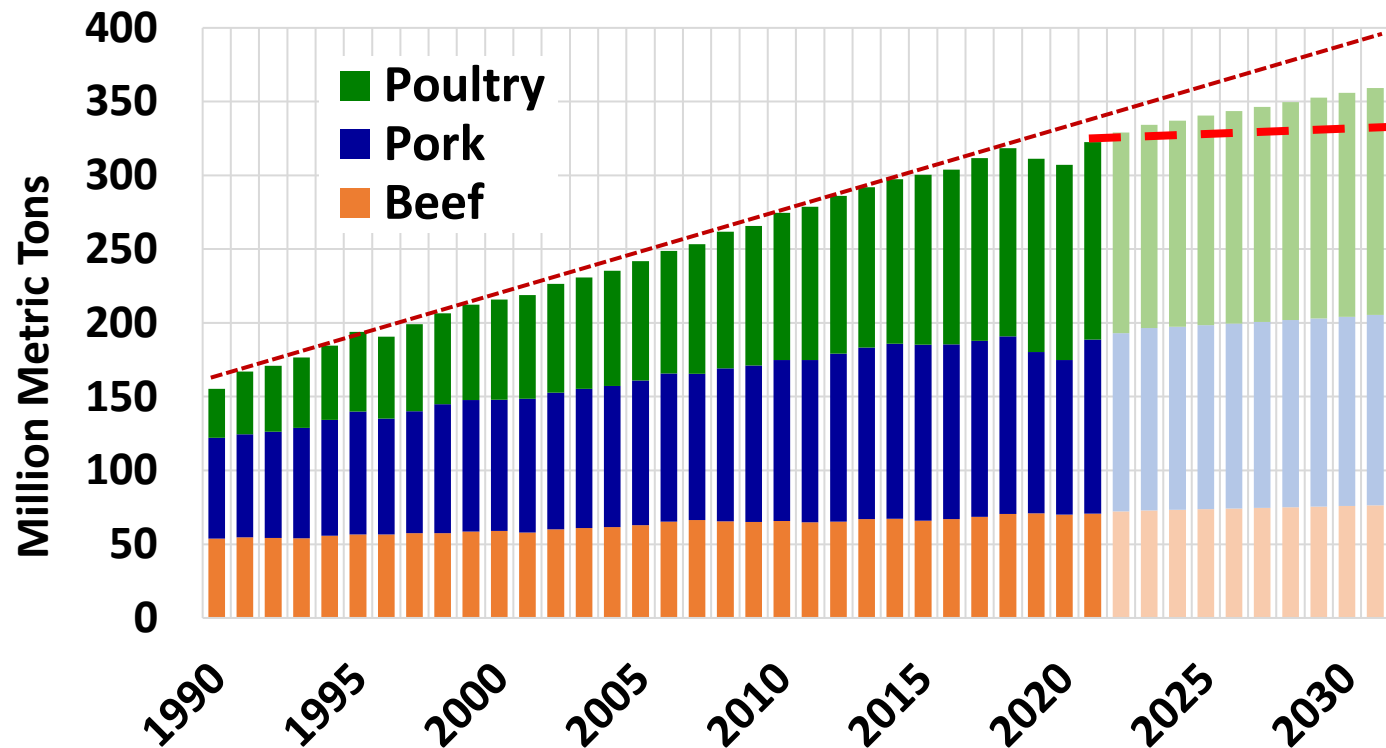
Canada Beef Presidents Report

**Prepared for
Market Development & Promotion Committee Meeting
June 14, 2023**



Animal Protein Supply Forecast 2022 - 2031

Global Meat & Poultry Supplies



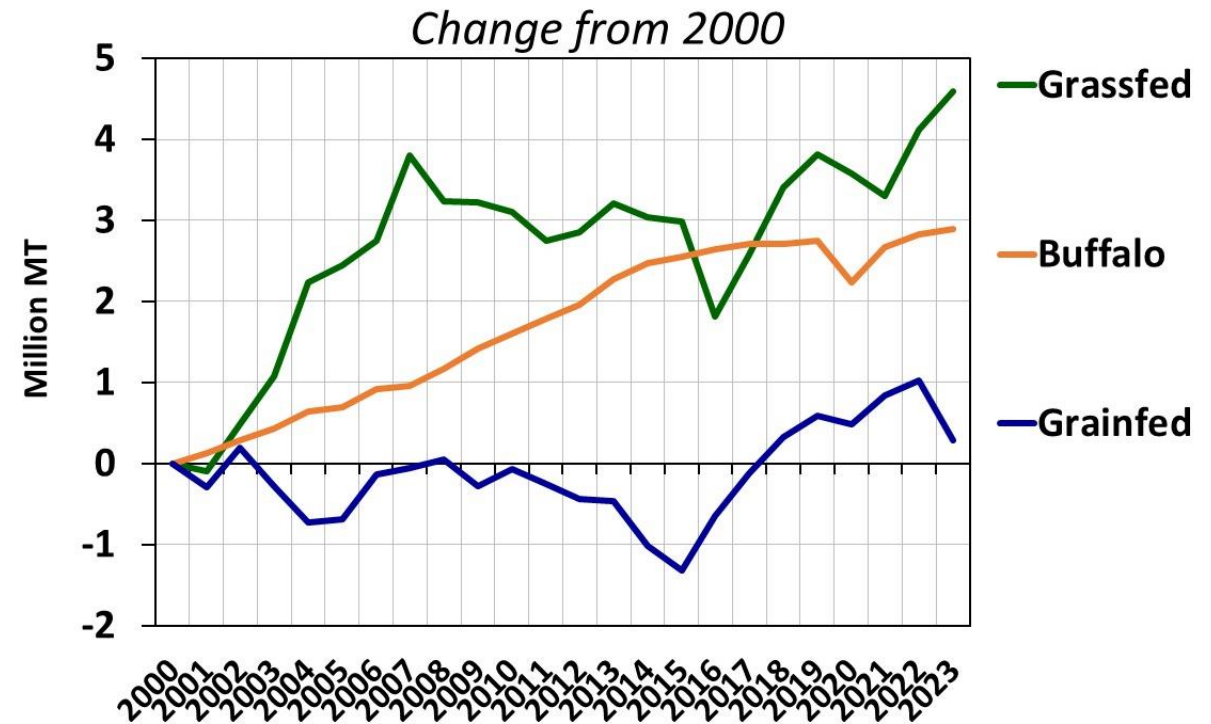
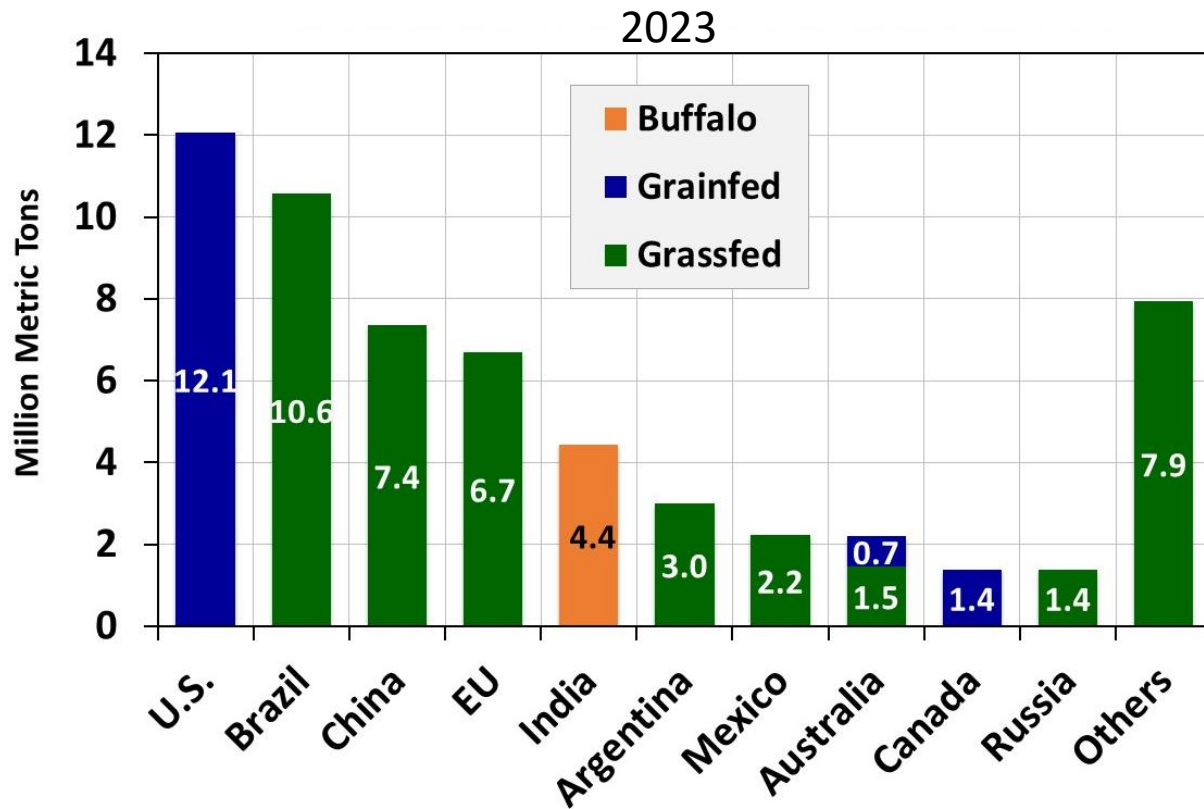
- Over the past 20 years, global meat and poultry production have averaged 4.8 million tonnes growth each year.
- UN/FAO forecasts indicate over the next 10 years annual growth will average just 3.0 million tonnes.
- Population, incomes and appetite are rising globally.
- The highest bidders will get the meat.

Source: UN/FAO, AgriTrends



PREMIUM
QUALITY
GRAIN-FED
CANADIAN BEEF

Global Beef Production 2023 Forecast



Source: USDA/FAS, 2023 forecast, Global AgriTrends



Global Meat Market Trends

- Prop 12: Some experts say only half of California's pork needs can be filled. Third party certification begins in January 2024 (expect a pile of pork to head north in July, August and likely through year end).
- Australian domestic market demand for grass-fed -35%, grain-fed -45%.
- Brazil has 70,000 tonnes frozen beef stranded at Chinese ports.
- China frozen beef inventory rumored to be several million tonnes. (discounts increase as frozen stocks hit first year birthday).
- Japan and South Korea also long on frozen beef stocks.
- Ocean freight labour disputes on the west coast continue.

Source: Global AgriTrends



US Beef Export Supply Tightening Jan-April 2022 vs 2023

- US beef production is now down -4.7%, Exports are down -10%.
- USDA estimates beef production will fall -12% in two years.
- They estimate -8% in 2024 (-2.2 billion lbs.).
- That will be the largest single production decline in 45 years.

Australia on-feed and exports continue to rise, but drought will bring herd liquidation and lead to reduced output into 2025 and beyond.

Tight Supply and High Prices

- Korea: US -29%, Australia +30%
- China/HK: US -19%, Australia +31%
- Japan: US -19%, Australia +6%
- Canada: US -8%, Australia +23%
- Taiwan: US -17%
- Other Markets: US -23%, Australia +25%

US herd rebuild expected in late 2024 into 2025.

Source: DAFF, USDA



Watch List and Wild Cards

- Weather, disease, stubbornly high input costs, high retail margins and changing climate policies.
- Will people eat less meat? Or do alternative proteins stage a comeback?
- Livestock and meat prices will increase.
- Grazing land values will increase.
- Asian beef inventories large, economies wobbly.
- Record high cattle prices now; much more upside in coming years.
- We will see how much more consumers are willing to pay for beef on the world's table.
- 73 million more mouths to feed on the planet every year.
- The forecast calls for profitability if you can get through 2023



Canadian Beef Trade Balance YTD April 2023

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Country	Volume (Tonnes)	Value CAD \$ (000)	YTD Change vs 2022 Volume	YTD Change vs 2022 \$
1. USA	119,970	\$1,242,171	+4.4%	+13.1%
2. Japan	16,064	\$109,939	-18.4%	-32.4%
3. Mexico	11,567	\$99,016	+35.4%	+37.4%
4. South Korea	6,460	\$50,687	-28.3%	-49.5%
5. Viet Nam	5,372	\$33,558	+5.5%	-23.3%
6. Hong Kong	1,588	\$13,443	+33.8%	+14.3%
7. Netherlands	251	\$4,928	+39.2%	+42.6%
8. Saudi Arabia	413	\$3,939	-27.9	-51.5%
9. Italy	191	\$3,543	+154.5%	+148.9%
10. Chile	573	\$3,475	+299.8%	+1152.6%
Export Total	165,609	\$1,580,098	+1.4%	+3.9%

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Country	YTD Change vs 2022 Volume	YTD Change vs 2022 %
USA	28,564	-7.6%
EU 27	4,445	-27%
UK	519	-73.5%
Argentina	5,9	+24.7%
New Zealand	4,750	+13%
Uruguay	3,194	+107%
Australia	3,753	+22.7%
Mexico	3,580	+19.5%
Brazil	2,728	+345.9%
Import Total	55,148	+3.6%
Value Total	\$508,427	-1.4%

Source: Statistics Canada, AAFC



Chinese Market Rationalization

- Canadian beef has been shut out of the Chinese market for 17 months due to atypical BSE case reported in December 2021.
- As of today, 65 out of 74 beef and pork applications have been approved by China (CIFER) for slaughter, processing and cold storage facilities for the next 5 years (13 applications are from the beef sector).
- We have reduced market representation and closed offices to rationalize investments.
- Marketing support for Hong Kong and Macau have been shifted to our Director in Taiwan who manages SE Asia.
- We have reduced administration costs by \$173,083 CAD (-60.7%) and maintained a support position in mainland China in the event of market conditions changing.
- Taiwan, Hong Kong, and Vietnam represent 7,319 tonnes (\$50.3 million) YTD April (4.4% of total exports YTD).

Domestic Beef and Pork Category Trends

YTD April 2022 vs 2023

Species	Average Retail Price 2022	Average Retail Price 2023	Retail Price Change % 2022 vs 2023
Beef	\$14.77/kg	\$14.16/kg	-4.13%
Pork	\$9.55/kg	\$9.12/kg	-4.50%

Species	Kg Sold YTD 2022	Kg Sold YTD 2023	Tonnage Change % 2022 vs 2023
Beef	64,911,994	66,349,345	+2.21%
Pork	37,779,398	39,988,053	+5.58%

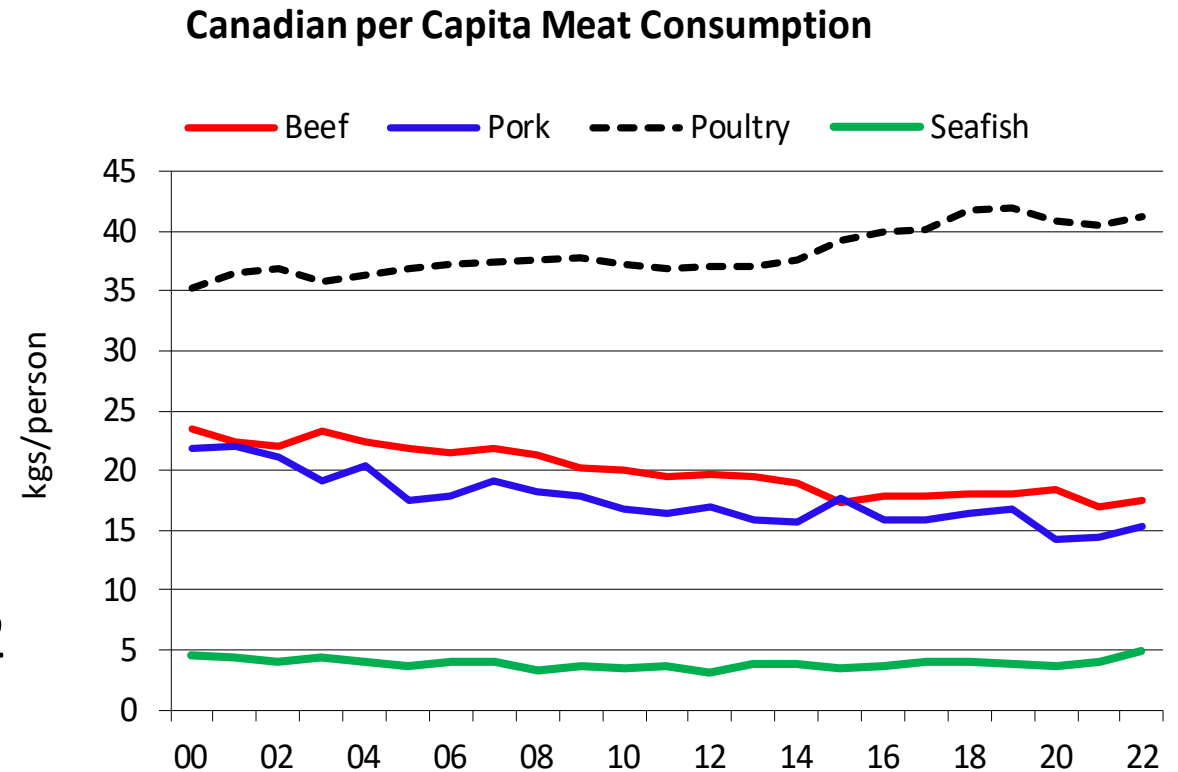
- Beef and pork retail prices have decreased.
- Tonnage for both proteins has increased but pork price average under the \$10.00/kg threshold is enticing value shoppers.



Source: Nielsen MarketTrack April 2023

Canadian per Capita Meat Consumption 2000 - 2022

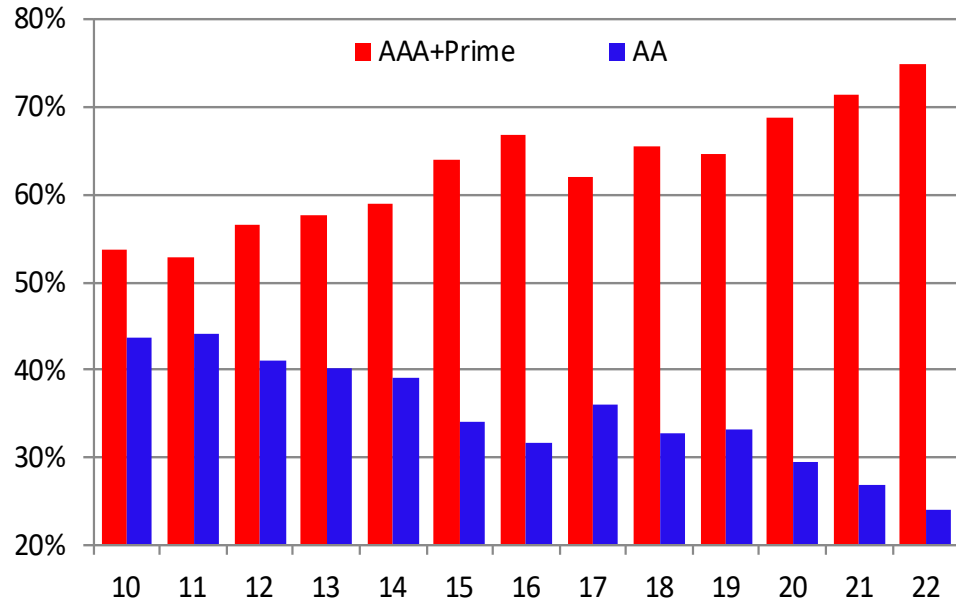
- Per capita animal protein consumption increased by 3.8% in 2022 (including seafish).
- Beef consumption up 2.9% in 2022 (17.5 kg/person retail weight).
- Pork consumption up 6.6% in 2022 (15.3 kg/person retail weight).
- Poultry consumption up 1.8% in 2022 (41.3 kg/person carcass weight).
- Retail beef demand up 2.6% in 2022



Source: Statistics Canada

Canada & US Grading


AAA's and AA's as a % of all A Grades



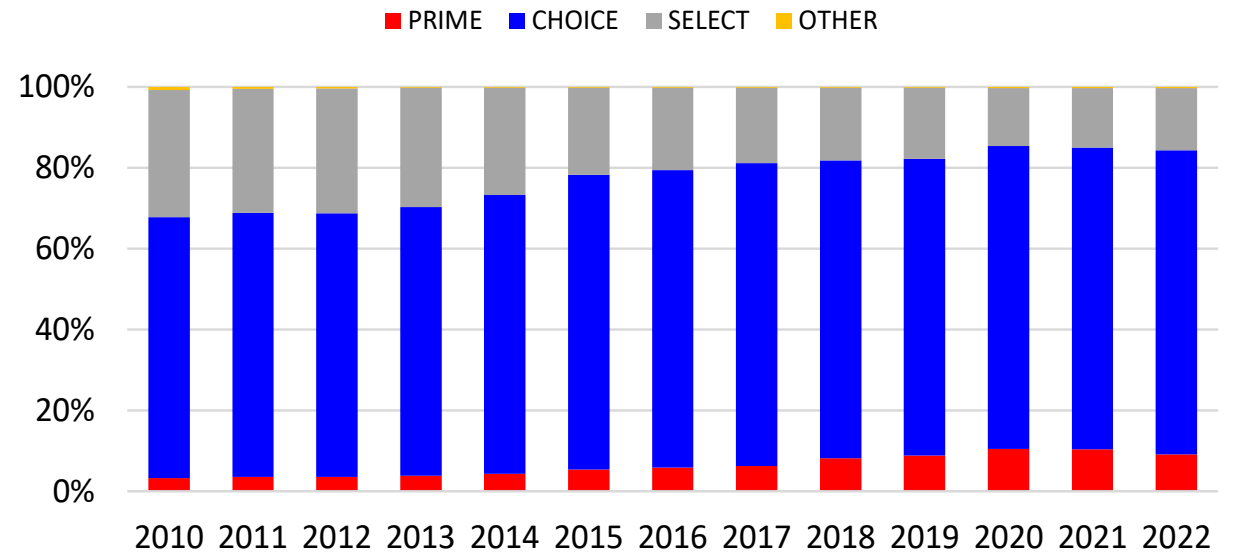
Source: CBGA

 Canada AAA
YTD June 3
69.8%


**Canada
AAA+Prime
74.9%**

 Canada Prime
YTD June 3
5.1%

US Grading



Source: Livestock Marketing Information Center (LMIC)

 USDA
Choice
75.19%
2022

**USDA
Choice+Prime
84.35%**

 USDA
Prime
9.16%
2022

FRESH Markets Hong Kong May 31, 2023



Thank You For Your Support

Michael Young
President

Canada Beef

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Canada Beef International Team Market Development Update



*MDP Committee Meeting
June 14, 2023*



Today's Presentations

Japan - South Korea - Mexico/LATAM - Taiwan/SE Asia
Vietnam - Hong Kong - Emerging Markets - EMD Program



Ichiro Kiyotomi
Japan/South Korea - Senior Director,
Market Development



YG Shin
South Korea - Marketing Coordinator



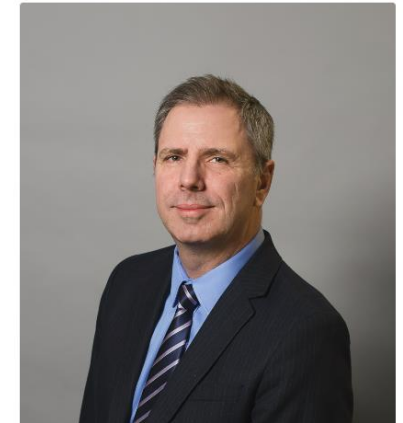
Claudia Herrera-Blanc
Mexico/Latin America - Director, Market
Development



Deana Kao
Taiwan/Hong Kong/South East Asia -
Director, Market Development



Pham Nhu (Katie)
Vietnam - Marketing Coordinator



Albert Eringfeld
Executive Director, Export Market Development





Japan



Ichiro Kiyotomi
Senior Director, Market Development



Japan: Market Intel & Statistics

- Restaurant sales in April were up 16% YOY, resulting in a seventeen consecutive month increase.
- Compared to 2019 (pre-Covid), restaurant sales increased by 7%, making a full recovery from the pandemic.
- Costco Japan began purchasing Canada Prime Beef in its three locations.
- Japan's total beef import volumes YTD April were 219,357 tones, up 7% YOY.
- Imports from Canada YTD April were 21,842 tones, up 38% YOY >> Market share reached 10%.

Country Name	Japan		Statistics are for YTD Month= April 2023									
Origin	Year \$ Change	US\$ '000 YTD		% Change	Volume (MT) YTD		% Change	US\$/Kg YTD		% Change	Mrkt Share MT	
		2023	2022		2023	2022		2023	2022		2023	2022
USA	-14%	689,751	801,664	16%	100,287	86,738	-26%	\$6.88	\$9.24	8%	45.7%	42.3%
Australia	-9%	457,095	500,162	3%	73,151	70,719	-12%	\$6.25	\$7.07	-3%	33.3%	34.5%
CAN	-4%	115,200	119,539	38%	21,842	15,882	-30%	\$5.27	\$7.53	29%	10.0%	7.7%
New Zealand	-20%	64,546	81,005	-8%	10,155	11,051	-13%	\$6.36	\$7.33	-14%	4.6%	5.4%
Mexico	-33%	38,852	58,343	-29%	7,049	9,967	-6%	\$5.51	\$5.85	-34%	3.2%	4.9%
Other	-35%	54,597	84,410	-35%	6,873	10,648	0%	\$7.94	\$7.93	-40%	3.1%	5.2%
ALL	-14%	1,420,041	1,645,123	7%	219,357	205,006	-19%	\$6.47	\$8.02		100%	100%
Data Source:	Trade Statistics Japan											

Japan: Trade Show (January to May 2023)

- **Supermarket Trade Show**
63,000 visitors, 80 leads



- **Foodex Japan**
74,000 visitors, 50 leads



Japan: Promotions (January to May 2023)

- **Costco Canada Beef Prime Launch Promotion (March)**
21 demo days (3 days@3 locations), 7 SKUs (Chuck eye roll and Top Blade), Sales volumes: 5 MT
- **Costco Canada Bulgogi Beef Promotion (March-April)**
267demo days (14 days@19 locations+1), Sales volumes: 160 MT
- **Costco Canada Beef Prime Golden Week Promotion (April-May)**
21 demo days, 7 SKUs, Sales volumes: 8 MT



Japan: Promotions (January to May 2023)

- **BIG Japan Launch (February)**
37 locations, 350,000 BIG labels



- **Rakuten Canada Beef Online Promotion (April-June)**
150,000 reaches for 3 months, 10 SKUs, Sales volumes: 50 MT



- **Canada Beef Retail Campaign (April-August)**
400 locations (16 supermarket chains), Sales volumes: 90mt





South Korea



YG Shin
Manager, Market Development



South Korea: Market Intel & Statistics

- Outbreak of foot and mouth disease from 10 cattle farms in Korea, starting on May 10. Culled 1,500 cattle, 0.04% of the total cattle number, 3.6 million, and wholesale prices are increasing.
- Following the case of mad cow disease in the United States, Korean quarantine authorities have raised the level of their quarantine measures, elevating the spot inspection rate from 3% to 10%.
- To differentiate from competitors, more retailers are interested in selling Canadian beef and holding tasting events.
- The first Korean restaurant chain that serves only Canadian beef is increasing number of outlets: current 40 and aiming for over 100 by the end of the year.
- Korea's beef import volumes in April were 45,127 tonnes, up 13.8% YOY.
- Imports from Canada were 1,135 tonnes, down 27.2% YOY >> Market share reached 3.4%.

Origin	Country Name	Year \$ Change	Statistics are for YTD										
			Korea		Month=April 2023								
			US\$ '000 YTD		%	Volume (MT) YTD		%	US\$/Kg YTD		%	Mrkt Share MT	
	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022		
USA		-10.2%	847,814	944,049	14.5%	102,931	89,883	-21.6%	\$8.24	\$10.50	2.3%	51.6%	50.4%
Australia		-3.0%	506,724	522,408	11.8%	75,344	67,381	-13.3%	\$6.73	\$7.75	-0.1%	37.7%	37.8%
New Zealand		-10.1%	56,665	63,064	-0.3%	10,238	10,265	-9.9%	\$5.53	\$6.14	-10.9%	5.1%	5.8%
CANADA		0.4%	42,786	42,624	25.4%	6,790	5,413	-20.0%	\$6.30	\$7.87	12.1%	3.4%	3.0%
Mexico		-25.3%	12,115	16,225	-15.3%	2,576	3,041	-11.9%	\$4.70	\$5.34	-24.3%	1.3%	1.7%
Other		-39.0%	7,637	12,527	-25.3%	1,764	2,361	-18.4%	\$4.33	\$5.31	-33.3%	0.9%	1.3%
			1,600,89										
ALL		-7.9%	1,473,741	7	11.9%	199,643	178,344	-17.8%	\$7.38	\$8.98		100%	100%



South Korea: Trade Show (January to May 2023)

- **Seoul Food & Hotel 2023 (May 30 - June 2)**
Joint participation with 5 Canadian beef suppliers
Estimation: 50,000 visitors, 80 leads



South Korea: Promotions (January to May 2023)

- Canada Beef Promotion at NS Cable TV Home Shopping Channel (January)**

420,000 reaches during 6 broadcasting,
Sales volume: 4.2 MT of short rib and 3.6 MT of ox tail



- Canada Beef Promotion at Emart Everyday supermarket chain (February)**

70 demo days (7 days @10 stores),
3 SKU (short rib, short plate, flat iron),
Sales volume: 37 MT



- Canada Beef Promotion at Home Plus hypermart chain (March)**

44 demo days (4 days @11 stores),
Sales volume: 30 MT of short rib

South Korea: Promotions (January to May 2023)

- **Canada Beef Promotion with Hyundai Green Food (March)**
34 restaurants at Hyundai Group of companies' offices and factories,
Sales volume: 90 MT of flat iron



- **Canada Beef Promotion on Sunwoo Fresh's online shopping mall, www.foodjang.com, and Angus Park Beef Store (May)**
45,000 reaches during 9-day online promotion and 21 demo days
(3 days @7 stores),
Sales volume: 6.4 MT of short rib





Mexico/LATAM



Claudia Herrera-Blanc
Director, Market Development



Mexico & LATAM: Market Intel & Statistics

- Mexico's overall beef imports for Q1 were up 16% YOY, totaling 46,755 MT, while exports were down 23%.
- U.S beef market share in Mexico represented 70% (Q1). Canadian beef continues to trend well with a 16% share, up 24% YOY. From Jan-Mar, CB and offal imports totaled 7,377 MT valued at 59.9 million US\$.
- Market access with zero tariff was granted to Argentina (Nov '22) and Brazil (Mar '23). As of March, Mexican imports totaled 3 MT from Argentinian beef and zero MT from Brazil.
- Guatemala reopened market access for CB. In 2022, the value of imported bovine meat and offals totaled US\$114.7 million. U.S. and Nicaragua are the top trading partners. U.S. Market share for beef and offals: 47% (57.9 million US\$).

Country Name		Mexico		TD Month=			Mar-23		
Origin	%	US\$ '000 YTD		%	Volume (MT) YTD		%	Market Share MT	
	Change	2023	2022	Change	2023	2022	Change	2023	2022
USA	9	272,769	249,782	20	32,952	27,413	4	70.48	67.98
CAN	15	59,958	52,071	44	7,377	5,115	24	15.78	12.69
AUS	-9	3,641	4,012	-15	466	549	-27	1.00	1.36
NZ	-59	75	182	-67	3	9	-71	0.01	0.02
Other	-25	31,723	42,366	-18	5,957	7,237	-29	12.74	17.95
ALL	6	368,166	348,413	16	46,755	40,323		100	100

Data Source COMECARNE

Exchg Rate: 1 USD / \$17.84

- First loads ever of Canadian beef muscles exported to Peru during Q1. Canadian offal exports in 2022 totaled 1,000 MT.
- Small volumes of Canadian middle meats exported to Panama. Offals accounted to 266mt in Q1.



Mexico & LATAM: Trade Shows (Jan-May 2023)

- **ExpoCarnes *Mexico's Meat Sector - February**

10,000 visitors, 50 leads, 1 million views/reach, 2 CB suppliers, 6 local distributors, 18 show-cookings, 4500 mktg resources

- **ANTAD 2023 *Retail Sector - March**

20,000 visitors, 50 leads, 744,000 views/reach, 2 CB suppliers, 5 local distributors, 15 cutting demos, 4000 mktg resources



- **ExpoComer PANAMA Trade Show - March**

5,000 visitors, 10 leads, 549,000 digital views, 1 CB supplier, 2 distributors, 300 mktg resources. 9 cooking demos



Mexico & LATAM: Promotions (Jan-May 2023)

Sigma Mktg Campaign (March-Apr)

16 days, 8 SKUs, email campaign, in-store sampling



Master classes Taller Gourmet Cancun (April)

40-50 Chefs, 5 classes, Value cuts (Chuck and Clod), 10 Business leads



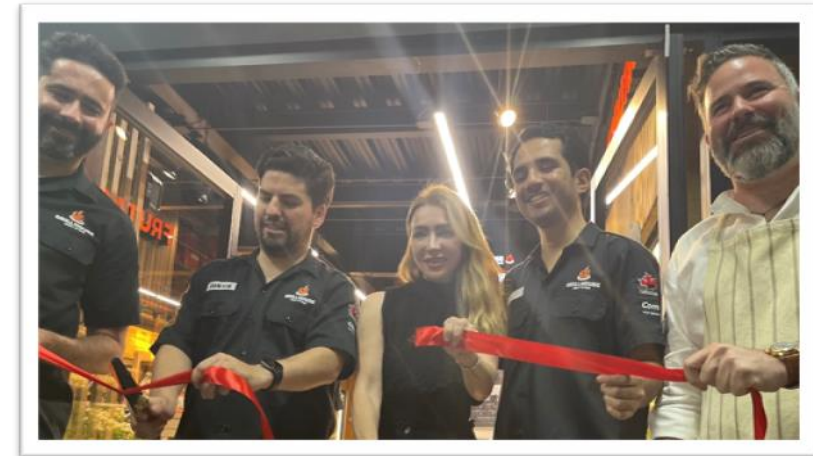
Newspaper Supplement Campaign Carnes Premium XO (Feb & Mar)

32 advertisements, 845,000 circulation reach, 10 SKUs, Sales volume 160 MT



Sigma store opening Guadalajara + 2 Master classes w/Emberwood

6 SKUs, branded & generic programs, Sales volume 20 mt



Mexico & LATAM: Promotions (Jan-May 2023)

Soriana Campaign (Jan - ongoing)

Branding at 100 Soriana Outlets




Soriana
Hiper
-Vinédos-

Descubre
Los mejores cortes de CANADÁ

El Rib Eye proviene del lomo, no tiene hueso y es el ojo de la costilla en la parte superior de la res. Es considerado el "Rey de la parrilla". Se sugiere cortar en grosores superiores a una pulgada para lograr la mejor experiencia de sabor.

Rib Eye Prime, kilo \$999

Rib Eye Wagyu Cross Americano, kilo \$2,999

Cowboy Choice, kilo \$519

Rib Eye Choice, kilo \$719

Tomahawk Choice, kilo \$759

Mexican Market Newsletter Campaign (Jan - May)

200 email data base, 1,000 reach/circulation/hits, 50 business leads



The Insider

México & LATAM
Volúmen 26
Febrero 2023

ExpoCarnes 2023

CANADIAN BEEF

PRIME
Striploin
Rib Eye
Tenderloin
Tri-Tip

MM
Teres Major
Chuck Short Rib
Brisket
Export Rib

MM
Top Sirloin
Lengua de Res
Picada
Frag Meat

FEBRERO 21 22 23. CENTRO CINTERMEX. MONTERREY, N.L.

Wildfork Campaign (Feb)

Canadian beef program growth 980% YOY (vol), sales increase 40% , 375 newspaper coupons redeemed



ASADÓN Wild Fork

CONOCE LA NUEVA COLECCIÓN DE CORTES CANADIENSES CALIDAD AAA

¡Acompáñanos a una degustación única y llena de sabor!

4 y 5 de febrero de 1 a 3 pm*

ALIMENTATE SANAMENTE.

AHORA **meat** ES

Wild Fork

APORTE tu lugar aquí:

Compra en tienda o en wildfork.mx



Taiwan/SE Asia



Deana Kao
Director, Market Development



PREMIUM
QUALITY
GRAIN-FED
CANADIAN BEEF

Taiwan/SE Asia: Market Intel & Statistics

Taiwan

- Taiwan's total import YTD March 30,874 tonnes with a value of US\$265 million. Decreased 11.58% in volume and 31.38% in value compared to the same period last year.
- Demand for dining out continued to recover, with a YoY growth of 9.3%.
- Supermarkets, convenience stores, and hypermarket experiencing a YoY revenue growth of 3.6%, 10.8%, and 0.3% respectively.
- Taiwanese government provided cash contribution to all citizens of NT\$6,000 (C\$260) to boost consumer market momentum.
- Taiwan FDA announced on April 27th, it will allow imports of Canadian beef from cattle of all ages, after a 30-day notice period for public comments.

Country Name		Taiwan		Statistics are for YTD Month= 2023 March								
Origin	%	US\$ '000 YTD		%	Volume (MT) YTD		%	US\$/Kg YTD		%	Mrkt Share % MT	
	Change	2023	2022	Change	2023	2022	Change	2022	2021	Change	2022	2021
USA	-40%	144,600.00	240,666.00	-21%	14,033.00	17,781.00	-24%	\$10.30	\$13.54	-11%	45%	51%
AUS	-18%	37,590.00	45,692.00	-6%	4,670.00	4,955.00	-13%	\$8.05	\$9.22	7%	15%	14%
NZ	3%	29,394.00	28,555.00	6%	4,153.00	3,925.00	-3%	\$7.08	\$7.28	20%	13%	11%
CAN	-46%	2,155.00	4,017.00	-18%	311.00	381.00	-34%	\$6.93	\$10.54	-8%	1.0%	1.1%
Other	-24%	51,464.00	67,554.00	-2%	7,707.00	7,876.00	-22%	\$6.68	\$8.58	11%	25%	23%
ALL	-31.4%	\$265,203.00	\$386,484.00	-11.58%	30,874.00	34,918.00	-22.4%	\$8.59	\$11.07	0.0%	100%	100%



Taiwan/SE Asia: Market Intel & Statistics

Philippines

- In 2022 Philippines imported a total of 186,152 tonnes of beef. Despite Canada being banned in the first two months of 2022 due to BSE, total export volume to the Philippines still reached 2,868 tonnes.
- The Philippines imported 16.4% more meat products in 2022 reaching 1.36 billion kilos as reported by the Bureau of Animal Industry.
- Year to date February, Philippines imported a total of 33,147 tonnes of beef.

Origin	Volume YTD Feb. 2023
Australia	10,578
USA	4,516
New Zealand	873
Canada	315

Singapore: Limited supply. Potential market for high quality CA beef.

Indonesia: Halal certification renewal.



Recent Promotions and Marketing

Philippines

CBI Taiwan office partnered with Nikkei Group and Chef Carlo Miguel president of LTB Philippines Chef Association on a 3 months long Canadian beef 4 courses menu promotion; featuring AAA Canada Beef Picanha, AAA Canadian Bone-in and Bone-less Ribeye from November 2022 to January 2023.

Increased social media reach 105.5% on Facebook, 56.5% on Instagram. CB sales rose by **17.67%**



Recent Promotions and Marketing

Taiwan

CBI Taiwan office partnered with 5-stars hotel Grand Mayfull Hotel Taipei to run promotion from February 22 to March 31, 2023. Five dishes were made by 5 selected Canadian cuts at their famous buffet restaurant and main course pan-seared Canadian AAA Rib eye at their Italian restaurant.



Promotion helped Canadian beef sales increased by **8%**.



Vietnam



Pham Nhu (Katie)
Manager, Market Development



Vietnam: Market Intel & Statistics

- As of March 2023 Vietnam imported 52,187 tonnes of beef (frozen and chilled)
- Canadian beef import volume reached 2nd place of imported volume with 3,156 tonnes (6% market share)
- India buffalo meat still leads the market with 44,203 tonnes (84.7% market share)
- Demand increasing for Canadian beef since end 2022: shortage supply of grain-fed beef from US; recovery of retail section; tourist market re-opening
- Retail: growth of small size supermarket brands: Winmart+, Bach Hoa Xanh, Aeon
- F&B: slow recovery; trend toward digitalization of sales promotions

Country Name	Vietnam	Statistics are for YTD Month=	2023 March
Origin	US\$ '000 YTD	Volume (MT) YTD	Mrkt Share % MT
INDIA	120,949.00	44,203.00	84.7%
CA	14,969.00	3,156.00	6.0%
AUS	14,072.00	1,919.00	3.7%
US	12,348.00	1,824.00	3.5%
Other	5,562.00	1,085.00	2.1%
ALL	\$ 167,900.00	52,187.00	100%
Data Source:	Customs Office Vietnam		



Trade Shows: Food and Hotel Vietnam

CBI Taiwan/SEA office cooperated with 2 Canadian beef importers and 1 Canadian beef supplier to host series of activities during the FHV show.



Exclusive intro & interview with CBI president w/ VN KOLs: reached 24,000 views and 122 messages



Co-branded Canadian Beef Seminar



Co-branded sampling at G-Kitchen shops



Recent Marketing & Promotions

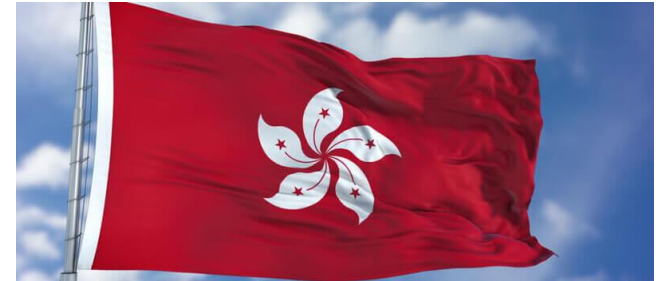
Retail promotions with handout flyers, standee and decorations in 3 big supermarket chains LOTTE, AEON, WINMART. Sales increased during promotion **12MT** with value **CAD145,700**.

- Total 77 stores participated the promotion.
- 43 retail sampling sessions conducted at selected 13 outlets over 3 month period





Hong Kong



Albert Eringfeld
Executive Director,
Export Market Development



Hong Kong: Market Intel (Highlights) & Statistics

- Hong Kong's economy grew 2.7% Q1 after 4 consecutive quarters of decline
- Recently all Covid prevention policies were lifted and contact with mainland China and rest of the world
- Local consumption still not at pre-Covid levels & tourists spending less
- Meat sales are currently in the low season and retail beef sales are relatively flat
- Food service sector sales rebounded significantly Q1 2023 and reached their highest level in 3 years
- Sales still not at pre-pandemic levels as food service still not fully recovered
- Beef prices remain high, stocks are high and importers are still being conservative on new procurement as do not expect to see full recovery until Q3
- Concerns by importers re. stability and reliability of Canadian beef supply

Country Name	Hong Kong		Statistics are for YTD Month= April 2023									
Origin	%	US\$ '000 YTD		%	Volume (MT) YTD		%	US\$/Kg YTD		%	Mrkt Share % MT	
	Change	2023	2022	Change	2023	2022	Change	2023	2022	Change	2023	2022
USA	-3%	104,721	108,307	19%	9,915	8,359	-18%	10.56	12.96	4%	12%	7%
AUS	-13%	29,175	33,418	-46%	2,536	4,674	61%	11.50	7.15	-1%	3%	4%
CAN	-18%	12,015	14,671	-24%	1,350	1,767	7%	8.90	8.30	0%	2%	2%
NZ	-13%	9,743	11,171	-24%	1,188	1,557	14%	8.20	7.17	0%	1%	1%
Other	-32%	222,712	328,813	-27%	69,530	95,733	-7%	3.20	3.43	-3%	82%	85%
ALL	-24%	378,364	496,381	-25%	84,519	112,090	1%	4.48	4.43	0%	100%	100%



PREMIUM
QUALITY
GRAIN-FED
CANADIAN BEEF

Hong Kong: Promotions (January to May 2023)

HKTV mall Canadian beef promotion

- Largest online/e-commerce shopping platform in HK
- 25% contribution to advertising banners on HKTV mall home page
- 447,000 viewers reached
- incremental sales increase of 1500% during promotion periods



YATA supermarket Canadian beef fair

- 9 locations over one week period
- In store sampling, POSM, digital marketing
- 63 sampling days completed
- 203% sales increase



Hong Kong: Promotions (January to May 2023)

Canadian beef fair Marae Fresh supermarkets

- 14 locations over 2 week period
- Marketing materials, POSM & digital marketing
- In-store demo program – 196 demo days
- 137% sales increase vs. non promotional period





Emerging Markets

Albert Eringfeld
Executive Director,
Export Market Development



Emerging Markets: Market Intel (Highlights) & Statistics

- First 4 months of 2023 Canadian beef exports to the EU27 were 572 MT with a value of \$10.7 million CAD +69.6% in volume and +73.2% in value vs. 2022
- The Netherlands and Italy are the largest Canadian beef importers to this region with both countries being gateways to other EU markets
- EU highest value destination reaching \$18.64/kg for first 4 mos. 2023
- Canadian beef exports to the MENA region Jan-Apr '23 were 932 MT with a value of \$9.1 million CAD down 19.1% in volume and 19.6% in value vs. 2022
- Saudi Arabia largest Canadian beef importer to this region followed by the UAE
- New market access for frozen Canadian beef products to Iraq
- Total Canadian beef exports Jan-April '23 are still up 1% in volume and 4% in value



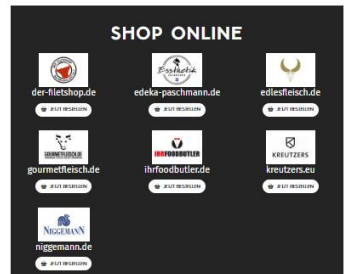
Emerging Markets: Promotions (January to May 2023)

Taste of Canada Germany

- Ongoing campaign featuring Cdn foods
- Canada Beef page including where Cdn beef can be purchased in Germany

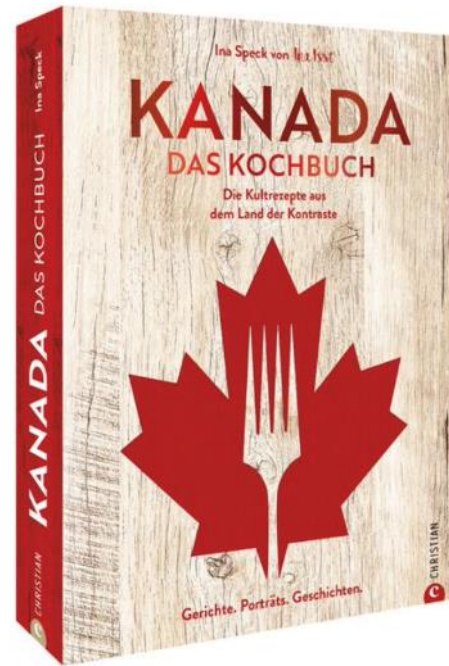


2 new recipes created



Canada Cookbook Germany

- Canadian cuisine themed cookbook
- Canada Beef advertorial with QR code
- 5,000 initial print run sold



Caterer Middle East & Saudi Hotelier advertisement

- 2 publication campaign targeting food service sector in KSA and ME region
- 29,000 total circulation plus 609 digital banner clicks

GREAT TASTING PREMIUM QUALITY GRAIN FED CANADIAN BEEF

Canadian beef is among the best in the world known for its delicious flavour, tenderness and juiciness.

- Grain fed for outstanding eating quality and taste.
- Breeds selected for well-marbled and flavourful beef.
- Grading system to verify consistent beef quality.
- Cattle raised in a natural, clean and cool environment.



Canadian Beef Suppliers
Ask your local foodservice distributor about Canadian beef or contact the following companies:
 • IBI Canada / ibicanada@ibicdn.com
 • Ontario Cattle Producers / contact@ocpd-beef.com
 • Prairie Meat Packers / prairiebeef.com
 • St. Thomas Meat Packers / stthomasmpp.com
 • Slippy Gourmet / slippygourmet.ca

For more information about Canadian beef programs and services to support the success of your beef enterprise please contact:
info@canadabeef.ca
 Scan code to access the Canadian Beef and Wolf Handbook



PREMIUM QUALITY GRAIN-FED CANADIAN BEEF

Emerging Markets: Promotions (January to May 2023)

Canadian Beef Promotion with Canadian Trade Commissioner Service Taste of Canada events in both Qatar and Kuwait

- 117 food industry representatives attended
- Participation by Cdn importer/distributor representing 3 suppliers
- Canadian beef main ingredient featured on the dinner menu
- Qatar and Kuwait recently granted market access to Canadian beef
- Increase awareness of the quality of Canadian beef cuts to food industry buyers in both countries





EMD Program

Albert Eringfeld
Executive Director,
Export Market Development



Updates to Export Market Development Program

- First edition of EMD and ABEMD partnership program successfully completed on March 31, 2023
- Second round of EMD program started April 1, 2023 at 50% Canada Beef funding level
- No additional Alberta govt. funding available to date
- Both program guidelines and application forms updated for 2023-24
- Sent to all previous users of the program and posted on cdnbeefperforms.ca website
- To date applications received for 14 projects from 12 different applicants targeting 5 separate export markets
- Additional 3 years 25% funding request to Alberta government for new ABEMD program remains under review but with positive signs



Completed EMD projects (April – May 2023)

Tuttofood show Italy participation by local importer/distributor



Branded retail promotion Hong Kong



HOFEX show Hong Kong participation by local importer/distributor



Completed EMD projects (April – May 2023)

Hong Kong importer/distributor exhibition at HOFEX show



Canadian beef exporter participation in Food and Hotel Asia show



Thank you Questions?



Albert Eringfeld
Executive Director, Export Market
Development, Canada Beef
Email: aeringfeld@canadabeef.ca



Canada Beef

Statement Board of Directors Expenses (Marketing Committee, costs not covered by the Check-off Agency)

for the 12 Months Ended

March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual as % of Budget	Actual YTD (Prior Year)
Board					
Travel	15,186	15,650	40,000	39%	0
Meeting Per Diem	22,325	28,348	20,000	142%	8,300
Meetings Expense	1,299	1,299	5,000	26%	0
TOTAL BOARD EXPENSES	38,810	45,298	65,000	70%	8,300

Canada Beef

Statement of Expenses (International Operations)

for the 12 Months Ended

March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual as % of Budget
Japan				
OPERATIONS - Tokyo, Japan				
Staff Salaries & Fees	270,508	296,374	364,613	81%
Government Benefits (Pension, Insurance, etc.)	35,937	39,071	51,116	76%
Office Rent	66,376	73,022	95,174	77%
Telephone, Facsimile, Internet	2,283	2,748	4,000	69%
Cell Phones	2,882	3,593	5,500	65%
Office Expenses and Supplies	908	2,014	5,860	34%
Courier and Postage	2,768	3,586	3,656	98%
Computer Maintenance & Supplies	3,852	4,292	3,428	125%
Office Equipment - Lease Payments	3,393	3,717	4,779	78%
Travel Expenses	935	1,384	1,508	92%
Staff Entertainment & Incentives	136	136	0	0%
Hosting Expenses	3,185	3,185	6,096	52%
Dues, Fees, and Subscriptions	3,538	3,595	3,701	97%
Audit Fees	3,504	5,520	7,352	75%
Bank Service Charges	1,632	1,846	3,017	61%
Consumption Tax Refund (JAPAN ONLY)	(32,754)	(79,814)	(60,000)	133%
Capital Purchases	0	0	2,500	0%
Capital Purchases - Capitalization	0	0	(2,500)	0%
Foreign Exchange Loss (Gain)	97	(104)	0	0%
	369,183	364,168	499,800	73%
MARKET DEVELOPMENT AND PROMOTION				
Retail/Foodservice Promotions	92,539	174,949	179,603	97%
Trade Shows	224,454	297,012	306,063	97%
Trade Advertising	9,455	9,455	9,455	100%
Marketing Materials	38,816	79,735	79,438	100%
Consumer Marketing	118,407	128,527	151,848	85%
Digital Marketing	52,854	63,934	73,710	87%
Demand Building Events	37,877	37,877	37,709	100%
Distributor Education	9,720	9,720	8,775	111%
Sponsorship and Event Marketing	2,398	2,398	2,398	100%
Canadian Beef Information Gateway	0	11,275	10,201	111%
	586,520	814,882	859,200	95%
TOTAL - JAPAN	955,703	1,179,049	1,359,000	87%

Canada Beef

Statement of Expenses (International Operations)

for the 12 Months Ended

March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual as % of Budget
Latin America				
OPERATIONS - Monterrey, Mexico				
Staff Salaries & Fees	68,891	75,462	69,953	108%
Government Benefits (Pension, Insurance, etc.)	11,181	12,349	9,656	128%
Office Rent	29,726	32,813	30,273	108%
Office Insurance	914	914	914	100%
Utilities	1,974	2,189	3,384	65%
Janitorial Services	7,085	7,875	6,074	130%
Telephone, Facsimile, Internet	1,793	2,185	2,256	97%
Cell Phones	644	770	668	115%
Office Expenses and Supplies	2,700	3,065	3,581	86%
Office Equipment Repairs and Supplies	41	41	0	0%
Office Repairs and maintenance (Common Area Costs)	4,914	5,458	6,618	82%
Courier and Postage	1,326	1,430	1,660	86%
Computer Maintenance & Supplies	2,055	2,209	5,000	44%
Office Equipment - Lease Payments	2,483	2,872	2,531	113%
Travel Expenses	1,239	1,758	2,392	74%
Meeting Expenses	1,298	1,552	1,424	109%
Staff Entertainment & Incentives	9	9	0	0%
Dues, Fees, and Subscriptions	4,123	4,123	3,500	118%
Consulting and Legal Fees	1,023	1,023	1,567	65%
Audit Fees	13,317	14,665	15,041	98%
Bank Service Charges	659	584	1,000	58%
Foreign Exchange Loss(Gain)	(4,683)	(6,933)	0	0%
	172,991	188,746	189,500	100%
MARKET DEVELOPMENT AND PROMOTION				
Retail/Foodservice Promotions	182,100	180,662	179,172	101%
Trade Shows	203,890	285,371	254,254	112%
Trade Advertisements	8,668	7,891	8,541	92%
Marketing Materials	13,646	13,803	12,060	114%
Canadian Beef Information Gateway	1,533	4,340	3,695	117%
Consumer Marketing	50,839	56,395	48,525	116%
Digital Marketing	77,528	83,251	93,112	89%
Demand Building Events	2,989	2,989	2,989	100%
Distributor Education	25,261	25,261	28,379	89%
Government Trade Commission Partnership	16,756	16,756	16,700	100%
Sponsorships and Event Marketing	49,071	49,071	46,573	105%
	632,282	725,790	694,000	105%
TOTAL - LATIN AMERICA	805,273	914,536	883,500	104%

Canada Beef

Statement of Expenses (International Operations)

for the 12 Months Ended

March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual as % of Budget
China				
OPERATIONS - Shanghai, Guangzhou, China				
Salaries & Benefits	137,971	146,376	139,056	105%
Accounting Services	39,104	41,951	55,078	76%
Rent	30,462	32,764	41,738	78%
Utilities	176	194	816	24%
Janitorial Services	3,180	3,180	7,244	44%
Telephone, Fax & Internet, cell phone	2,201	2,394	3,834	62%
Office Expenses and Supplies	4,955	5,056	3,208	158%
Courier & Postage	1,110	1,172	2,333	50%
Computer Maintenance & Supplies	3,334	3,613	6,096	59%
Office Equipment - Lease Payments	924	1,004	956	105%
Travel	705	771	1,983	39%
Professional Development	0	0	1,944	0%
Photocopier	56	56	700	8%
Hosting	190	190	296	64%
Dues, Fees and Suscriptions	2,963	2,963	5,399	55%
Consulting and Legal Fees	11,922	13,515	12,085	112%
Audit	1,783	1,783	1,762	101%
Bank Service Charges	295	486	572	85%
Capital Purchases	0	0	1,944	0%
Capital Purchases - Capitalization	0	0	(1,944)	0%
Foreign Exchange Loss (Gain)	1,288	1,883	0	0%
	242,619	259,350	285,100	91%
MARKET DEVELOPMENT AND PROMOTION				
Retail and Foodservice Promotions	59,722	91,181	108,000	84%
Trade Shows	42,071	398	0	0%
Trade Advertising	6,487	26,337	8,100	325%
Marketing Materials	56,292	68,222	62,000	110%
Canadian Beef Information Gateway	0	21,601	10,000	216%
Digital Marketing	29,216	35,171	48,000	73%
Government Trade Commission Partnership	19,988	21,293	22,100	96%
	213,777	264,204	258,200	102%
TOTAL - CHINA	456,396	523,554	543,300	96%

Canada Beef

Statement of Expenses (International Operations)

for the 12 Months Ended

March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual as % of Budget
South East Asia				
OPERATIONS - Taipei, Taiwan				
Staff Salaries & Fees	51,423	56,247	56,303	100%
Government Benefits (Pension, Insurance, etc.)	6,210	6,812	7,248	94%
Contract Services	3,150	3,445	0	0%
Office Rent	19,329	22,721	23,233	98%
Utilities	158	203	1,366	15%
Janitorial Services	1,337	1,462	1,640	89%
Telephone, Facsimile, Internet	670	729	1,912	38%
Cell Phones	1,357	1,480	1,912	77%
Office Expenses and Supplies	831	939	1,912	49%
Courier and Postage	670	812	1,093	74%
Computer Maintenance & Supplies	1,151	1,251	3,278	38%
Office Equipment - Lease Payments	1,731	2,089	2,185	96%
Travel Expenses	185	185	2,185	8%
Training and Professional Development	0	0	1,912	0%
Meeting Expenses	0	0	273	0%
Staff Entertainment & Incentives	0	0	273	0%
Hosting Expenses	54	54	0	0%
Dues, Fees, and Subscriptions	625	625	220	284%
Consulting and Legal Fees	0	0	546	0%
Bank Service Charges	105	114	109	105%
Foreign Exchange Loss/(Gain)	157	91	0	0%
	89,143	99,258	107,600	92%
MARKET DEVELOPMENT AND PROMOTION				
Retail and Foodservice Promotions	83,091	104,329	96,584	108%
Trade Shows	170,434	170,617	170,417	100%
Marketing Materials	0	19,667	20,000	98%
Canadian Beef Information Gateway	3,155	23,962	15,000	160%
Digital Marketing	9,550	10,446	20,000	52%
Sponsorship and Event Marketing	1,292	1,292	1,299	100%
	267,522	330,314	323,300	102%
TOTAL - SOUTH EAST ASIA	356,665	429,572	430,900	100%

Canada Beef

Statement of Expenses (International Operations)
 for the 12 Months Ended
 March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual as % of Budget
South Korea				
OPERATIONS - Seoul, South Korea				
Consulting and Legal Fees	27,667	33,000	32,000	103%
	27,667	33,000	32,000	103%
MARKET DEVELOPMENT AND PROMOTION				
Retail and Foodservice Promotions	89,000	132,544	114,625	116%
Trade Shows	86,046	86,046	86,000	100%
Trade Advertising	12,241	12,241	12,386	99%
Canadian Beef Information Gateway	0	12,799	15,000	85%
Digital Marketing	37,590	50,090	50,000	100%
Demand Building Events	31,166	31,166	34,675	90%
Distributor Education	0	0	7,614	0%
Government Trade Commission Partnership	0	0	5,000	0%
Ad hoc Programs	12,333	16,200	17,200	94%
	268,377	341,087	342,500	100%
TOTAL - SOUTH KOREA	296,044	374,087	374,500	100%

Canada Beef

Statement of Financial Position (Unaudited)

as at

March 31, 2023

	Current Year (Previous Month)	Current Year (Current Month)	Prior Year
Assets			
Cash and Cash Equivalents	7,334,287	7,413,643	9,490,008
Accounts Receivable	2,621,663	2,754,101	2,445,165
Prepaid Expenses	33,103	110,198	542,985
Interco - Canadian Beef Check-Off Agency (CBCOA)	43,215	121,379	161,435
Interco - Canada Beef International Institute	1,121,260	1,129,999	671,812
Current Assets	11,153,527	11,529,320	13,311,405
Restricted Cash Reserve - CBCOA	3,000,000	3,000,000	3,000,000
Fixed Assets	540,906	1,220,687	460,138
Total Assets	14,694,433	15,750,008	16,771,543
Liabilities			
Accounts Payable and Accrued Liabilities	405,163	1,365,806	2,212,811
GST Payable/(Receivable)	0	159	(0)
Interco - Canada Beef International Institute Inc	1,304,997	1,373,309	897,769
Total Current Liabilities	1,710,161	2,739,274	3,110,580
Deferred Revenues	372,762	19,844	505,962
Total Long Term Liabilities	372,762	19,844	505,962
Total Liabilities	2,082,923	2,759,118	3,616,541
Net Assets			
Restricted	4,000,000	4,000,000	4,000,000
Unrestricted	9,155,002	9,155,002	8,578,648
Current Year	(543,491)	(164,112)	576,354
Total Net Assets	12,611,511	12,990,890	13,155,002
Total Shareholder's Equity and Liabilities	14,694,433	15,750,008	16,771,543

Canada Beef
Statement of Operations (Unaudited)
for the 12 Months Ended
March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual (Current Month) as % of Budget
Revenues (A)				
Check Off - Marketing	8,193,542	9,648,412	8,870,000	109%
Check Off - Public & Stakeholder Engagement	212,806	248,920	233,000	107%
Import Levy	1,024,296	1,127,288	1,045,000	108%
Govt of Canada - CAP** (SEE NOTE BELOW)	1,470,356	1,714,665	1,900,000	90%
Western Econ - Deferred Revenue Recog.	0	203,657	106,000	192%
Alberta Agriculture and Industry - EMDP	126,316	275,577	225,000	122%
EMDP Administration Fee	15,804	21,191	25,000	85%
Interest	113,211	144,449	50,000	289%
Miscellaneous Revenue	5,740	5,953	0	0%
Total Revenues (A)	11,162,072	13,390,112	12,454,000	108%
Expenses (B)				
Board of Directors (Marketing Committee, costs not covered by the Check-off Agency)	38,810	45,298	65,000	70%
Marketing and Promotion (Schedule 1)	11,666,752	13,508,926	14,947,640	90%
Total Expenses (B)	11,705,563	13,554,224	15,012,640	90%
Surplus/(Deficit) - (A) minus (B)	(543,491)	(164,112)	(2,558,640)	6%

**CAP application approved for \$3.6m over two years.

Canada Beef

Statement of Operations (Unaudited)
for the 12 Months Ended
March 31, 2023

	Actual YTD (Previous Month)	Actual YTD (Current Month)	Annual Budget	Actual (Current Month) as % of Budget
Schedule 1 - Market Development and Promotion				
Domestic - Generic Beef	583,297	912,697	860,000	106%
Domestic - Generic Veal	600	29,324	30,000	98%
Public and Stakeholder Engagement	214,758	297,866	300,000	99%
Global	897,086	1,316,120	1,314,000	100%
Domestic - Channel Marketing	338,700	398,018	419,418	95%
Domestic - Consumer Marketing	922,926	1,224,106	1,214,000	101%
Digital Marketing	248,671	386,436	418,500	92%
Digital Marketing - Generic Veal	63	63	2,740	2%
Health and Nutrition	238,254	266,470	285,000	93%
Health and Nutrition - Generic Beef	224,735	291,297	275,000	106%
Communications	170,491	208,104	210,000	99%
Canadian Beef Centre of Excellence	1,421,844	219,222	1,525,082	14%
Export Market Development	400,518	523,565	455,000	115%
Emerging Markets	162,697	171,619	173,900	99%
Japan	586,520	814,882	859,200	95%
South Korea	268,377	341,087	342,500	100%
China	213,777	264,204	258,200	102%
South East Asia (Including Taiwan)	267,522	330,314	323,300	102%
Latin America (Including Mexico)	632,282	725,790	694,000	105%
Prior Year Projects(Accrual Adjustments)	(382)	(382)	0	
	7,792,736	8,720,801	9,959,840	88%
Staff and Office Costs (Schedule 2)	3,874,016	4,788,125	4,987,800	
Total Marketing and Promotion Expenses	11,666,752	13,508,926	14,947,640	90%
Schedule 2: Staff and Office Costs				
Domestic - Generic Beef	122,963	24,785	226,400	11%
Public and Stakeholder Engagement	40,896	17,681	73,200	24%
Global	1,055,059	1,214,765	1,108,300	110%
Domestic - Channel Marketing	217,253	262,258	457,000	57%
Domestic - Consumer Marketing	81,392	89,652	79,800	112%
Digital Marketing	266,736	300,797	189,900	158%
Health and Nutrition	50,887	56,570	55,650	102%
Communications	117,483	130,245	125,950	103%
Canadian Beef Centre of Excellence	320,018	360,603	571,150	63%
Export Market Development	154,047	170,930	162,400	105%
Japan	369,183	367,179	499,800	73%
South Korea	27,667	33,000	32,000	103%
China	242,619	259,604	285,100	91%
South East Asia (Including Taiwan)	89,143	99,980	107,600	93%
Latin America (Including Mexico)	172,991	192,322	189,500	101%
Calgary and Mississauga	545,680	1,207,755	824,050	147%
Total Staff and Office Costs	3,874,016	4,788,125	4,987,800	96%




Governance Workshop Recommendations for MDP Committee

Ron Glaser, Vice President, Corporate Affairs
MDP Committee Meeting
June 14, 2023

Governance Review of MDP Committee

- Agency conducted review of MDP Committee governance and structure
- Tasked to review findings and make recommendations
- Provide action plan by July 15, 2023

The facilitated session was very in depth, and ensured that all voices had an opportunity to be heard around the table. At the end of the session, the facilitator, with support of the full table, came to a few conclusions that we would like to deliver to the Marketing Committee to develop a plan of action to address (slide 83):

- Roles, expectations and onboarding of new members 
- Committee materials
- Representation and industry depth, and competency based committee versus representation based 
- Supporting Canada Beef as it navigates its external threats (ie. market access) 
- Supporting Canada Beef as it seeks to increase return on Canadian cattle

The facilitators also included a straw model of some Marketing Committee next steps to help clarify focus on some of the above points (slide 87):

- Support focus on increased communication effectiveness to stakeholders
- Update new Committees Member orientation to ensure expectations and role clarity is widely agreed to and understood
- Improve Committee operations
- Update understanding of the representational versus competency-based balance, and seek to understand any adjustments

To ensure that we can begin to address some of the findings from the facilitated review, we would ask that the Marketing Committee **provide an action plan by July 15, 2023**. This will provide the opportunity for the Agency to review the plan, and to update stakeholders at the August AGM.

Managing MDP Committee Documents and Resources

- Recommend using existing members-only Agency web portal accessed via password www.cdnbeefcheckoff.ca/membersonly/
- Currently used to archive NCOA meeting packages, strategic and operational documents, contact lists, and training and on-boarding resources
- Would add MDP section to archive Canada Beef materials such as Committee meeting packages, investment plans, performance reports, org chart, other resources, etc.
- Would continue to attach meeting materials to calendar meeting invitations and direct via email

AGENCY MEMBER PORTAL

Here you will find information pertinent to Agency Member business, including documents you may require, meeting packages and other important links. Consider all information CONFIDENTIAL unless otherwise stated

Upcoming/Recent Meeting Packages:

- May 23, 2023 SR & ED Third Party Payments Information from KPMG LLP
- April 17-28, 2023 Board Package
- Framework Analytics Marketing Structure Review Deck
- March 9, 2023 Agency Board Package
- January 30, 2023 Agency Board Package
- November 1-2, 2023 Agency Board Package

Board Documents & Information

- Orientation & Governance Deck
- Agency Vision & Mission
- Bylaws (2021)
- Policy Manual
- Agency Reporting Chart
- Agency & Committee Contacts
- Expense Form
- Expense Policy Cheat Sheet
- Bylaws Schedule B – Per Diems & Expenses
- Travel Contact Sheet (Maritime Travel)
- Quick Guide – Conflict of Interest, Code of Conduct and Indemnification
- Current Mileage Rate: \$0.68/km up to 5,000km; \$0.62/km after

Board & Committee Contacts

- All Board & Members at Large Contacts
- Contacts by Committee

Training and Education (not confidential)

- Respect in the Workplace Training
- Legal Overview – Director Duties (Video – 2017)
- Legal Overview – Director Duties (Slides – 2023)
- ESG Reporting Slide Deck (this deck can be shared with other organizations)
- Legal Overview & Governance Slide Deck
- Check Off Training – Complete (password: canadianbeef)
- Inspector Training (Slides)
- Inspector Training (Videos)
- Beef Advocacy Canada Training

Forms & Documents

- Indemnification Form
- Conflict of Interest / Code of Conduct
- Agency Member Information Form
- EFT / Direct Deposit Form

Proposed MDP Committee Onboarding Process

- Canada Beef will develop a formal onboarding process to dovetail with the existing NCOA onboarding process
- NCOA will continue to deliver Agency-centric training while Canada Beef will deliver MDP-centric training
- NCOA's process is self-guided, while MDP's will be either 1on1 or via group
- New onboarding process to be in place this August for newly elected representatives, as well as standing reps who may wish to participate
- May wish to also offer Canada Beef onboarding content to NCOA-only reps as they can be important ambassadors to their host organizations

Proposed MDP Committee Onboarding Content

- Common administrative content will continue to be managed by the Agency:
 - i.e. governance, policy, by-laws, expenses, travel, respect in the workplace, code of conduct, indemnification forms, etc.
- Canada Beef centric content to be added will include:
 - Meeting agendas, minutes, meeting packages, presentations, program updates, EMD, PMA and other special content
 - Strategic and market overviews, annual investment plans, finance and audit reports, performance and funder reports, annual report, funding sources
 - Monthly newsletter and GMIR, organizational history, org structure (CBII, CBII Inc), staff org chart
 - Rationale for MDP Committee structure (NCOA/Canada Beef firewall, members at large, representation vs competency)

Key Dates for 2023

- Canadian Beef Industry Conference, August 15-17/23, Calgary:
 - Check-off Agency AGM, August 15/23
 - Canada Beef 50th Anniversary Luncheon, August 15/23
 - MDP Committee photos, August 15/23
 - MDP Meeting – Executive Elections, August 15/23
- MDP in-person meeting, Date TBD (late October, early November 2023), location TBD



vPUSA Labelling Update
 Mark Klassen
 Executive Vice President

1

A Brief History of vPUSA Labelling

February 2022: Consumer Study Announcement
 November 2022: Consumer Study Completed
 March 2023: Proposed vPUSA Rule Published

Petitions from AGA/OCM (2018) and USCA (2020)

2

USDA Study Findings (Understanding and WTP)

Table 4.1. Results for the WTP Analysis for the "Product of USA" Labeling Claim*

Product	"Product of USA" claim vs. no claim (no definition provided for the claim)		All production steps (born, raised, slaughtered, processed) take place in the United States vs. only processed in the United States	
	Increased WTP (\$)	Percentage Increase over Mean Price ^a	Increased WTP (\$)	Percentage Increase over Mean Price ^a
1-lb ground beef	\$1.69	35%	\$1.15	24%
1-lb NY strip steak	\$3.21	32%	\$3.67	37%
1-lb pork tenderloin	\$1.71	43%	\$1.65	41%

3

Proposed Rule: Voluntary Labelling of FSIS Regulated Products with US Origin Claims

- Authorized Claims:** "Product of USA" and "Made in USA" would be approved for use on single ingredient products derived from animals born, raised, slaughtered, and processed in the United States. Multiple ingredient product would also be eligible with an exception for spices and flavourings.
- Qualified Claims:** These qualified claims would need to include a description on the package of all preparation and processing steps (including slaughter) that occurred in the United States upon which the claim is made.
- No claim is required** but the existing usage of product made from animals born, raised, and slaughtered in another country with processing in the United States can no longer be labeled as "Product of USA."

4

Canadian Industry Approach to vPUSA Consultation

Dr. Glensy Babcock
 Survey Science Institute

Dr. David Draper – Professor
 University of California

Comment period ended Sunday - June 11, 2023

5


USDA FSIS Response to USCA – March 26, 2020

- "After careful consideration of your petition ...FSIS has concluded that its current labeling policy . . . may be causing confusion in the marketplace . . . Therefore, FSIS has decided to initiate rulemaking to define the conditions under which the labeling of meat products would be permitted to bear voluntary statements that indicate that the product is of U.S. origin, such as "Product of USA" or "Made in the USA." ... **we intend to propose that such labeling be limited to meat products derived from livestock that were slaughtered and processed in the United States.**"

6

CCA Legal Arguments Against vPUSA


- *Administrative Procedure Act, 5 U.S.C. Section 706*,
 - USDA is required to consider all reasonable alternatives including the original proposal
 - It must communicate with stakeholders when it changes its position
- US Customs and Border Protection Standards
 - Substantial transformation confers origin
- WTO Agreement on TBT - Article 4.5.2 :
 - "When a food undergoes processing in a second country which changes its nature, the country in which the processing is performed shall be considered to be the country of origin for the purposes of labelling."



7

CB Market Based Arguments against vPUSA


- Canada Beef was responsible to demonstrate that the survey research performed by RTI and commissioned by USDA FSIS was flawed using two approaches.
 1. Commissioning an expert review of the methodology of the USDA consumer survey research and its findings.
 2. Conducting a second WTP study for ground beef with US consumers.



8

Issues with Market Research commissioned by USDA

B. RTI Consumer Survey	6
Description	6
Issue 1. Inaccurate interpretation of consumer recall of P-USA label	6
Issue 2. Contradictory information provided regarding DCE 1	8
Issue 3. A MWTP of \$2.84?	9
Issue 4. Inaccurate description of mixed logit modeling	9
Issue 5. Unclear basis for exclusion of one-third of DCE 1 respondents from analysis	9
Issue 6. Incorrect interpretation of MWTP findings	9
Issue 7. In DCE 1, 40% of respondents chose the 'neither' option at least once	10
Issue 8. Impossible MWTP for other ground beef attributes	11
Issue 9. MWTP findings are generalizable only to respondents who typically purchase 85%lean/15% fat ground beef	11
Issue 10. Implausible null findings on lower/higher income households	11
Section Summary	12



9

Canada Beef Market Research Methodology




Targeted n=2,000 and were able to obtain 1894 consumers
 Duplicated many aspects of RTI study commissioned by USDA for benchmarking
 Challenges were encountered with US consumer panel



10

Canada Beef Market Research Findings


- The Canada Beef study found that the average MWTP for one pound of 85% lean/15% fat ground beef with a Product of USA label is \$0.43 more than the baseline mean price of \$5.38 (+8%) when the definition of that label is not provided, and around \$0.60 (+11%) when the proposed Product of USA definition is provided.
- If this figure is representative of all ground beef, the premium of ~3% must offset the costs of segregating the supply and paperwork
 - USDA estimated compliance cost of \$2.6 billion for mandatory COOL versus the \$3 million estimated for vPUSA
 - Canada is authorized for up to \$1 billion in retaliation



11

Desired vPUSA Outcomes and ROI

- The Canadian industry has asked that USDA withdraw the rule or at minimum to reissue the proposed rule for further comment after correcting the issues identified.
- CCA legal counsel has indicated that the Canada Beef contribution "significantly" increases the probability that USDA will comply.
 - Each \$1USD/per head is worth \$1 million CAD on an annual basis to Canadian cattle producers exporting live cattle to the USA



12

Canada Beef
Foodservice Initiatives
 Mark Klassen
 Executive Vice President

13

Canada Beef's Foodservice Initiatives

- Overview of foodservice tactics recently completed or underway
- Broadly grouped into Foodservice Recovery Strategy Phase I and Phase II. Both phases are dedicated to increasing beef sales.
 - Material samples and video links will be provided following the meeting for those that are interested.

14

Foodservice Recovery Strategy Phase I

Addressing Recommendations from the Study of 300 Foodservice Operators

15

1. Communicate Consumer Loyalty to Canadian Beef

- National survey of 1,000 Canadians about beef on restaurant menus.
- Shared in partner presentations, July Issue of CBP newsletter and Q2 FSIR

Statement	Rated 8-10 (Extremely important)	Rated 6-7	Rated 4-5	Rated 1-3 (Not at all important)	Do Not Eat Meat
The beef is from cattle raised in Canada	49%	27%	11%	9%	4%
Dishes that feature Canadian beef are highlighted on the menu and/or by the server	43%	29%	14%	11%	3%
The restaurant has demonstrated a commitment to serving only Canadian beef products (e.g. stated in advertising, on the menu, etc.)	42%	29%	15%	10%	3%

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2. Communicate the Beef Margin Story

- New online course on the Brain Shark platform.
- Basic foodservice math calculates menu price relative to food cost. Using this approach, a **percentage based margin** valuation of beef on the menu can make beef seem under performing.
- Operators need to understand and remember that high value Canadian Beef options deliver high **dollar margins** (absolute margin).

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3. Assist Operators on Enhancing Yield through Trim Utilization

- **Ten video series** to communicate the importance of maximizing trim utilization to optimize product yields, reduce costs and enhance menu offerings

Trim Utilization	VIMEO Link
Beef Chops	https://vimeo.com/834847113/c52349c6f?share=copy
Beef Fat Based Applications	https://vimeo.com/834847315/8ae5923bb?share=copy
Beef Fat Crème Brûlée & Short Bread	https://vimeo.com/834847315/8ae5923bb?share=copy
Beef Fat Sticky Toffee Pudding & Caramel Sauce	https://vimeo.com/834847315/c89269d500?share=copy
Source Grinds	https://vimeo.com/834847470/1c9e75163d0?share=copy
Pulled Beef	https://vimeo.com/834847315/17387?share=copy
Roasted Beef Crumble	https://vimeo.com/834847423/v98ab6871?share=copy
Beef Jerky	https://vimeo.com/834847271/454530629f?share=copy
Beef Embrace	https://vimeo.com/834847186/14879469db?share=copy
Beef Bones	https://vimeo.com/834847059/5d73e1a22?share=copy

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4. Emphasize Opportunity Cuts

- **Eleven video series** to help operators expand their Canadian beef offerings to reduce costs and deliver exciting new eating experiences to their customers.
 - Cuts that are trending at Foodservice (cost, useability, seasonality)

Opportunity Cuts	VIMEO Link
Hanging Tender	https://vimeo.com/83485456/774ea13a9057share-copy
Top Sirloin Cap	https://vimeo.com/834854910/03ba7834177share-copy
Clod Tender	https://vimeo.com/834854402/35a9f789077share-copy
Chuck Flap Tail	https://vimeo.com/834854322/abba5579177share-copy
Bottom Sirloin Tri-Tip	https://vimeo.com/834854986/1923a96d77share-copy
Top Blade Flat Iron	https://vimeo.com/834854815/37da164e677share-copy
Outside Skirt	https://vimeo.com/834854737/6a533a8c9977share-copy
Inside Skirt	https://vimeo.com/834854654/3d35b1009577share-copy
Flank Steak	https://vimeo.com/834854485/988ac071e477share-copy
Bottom Sirloin Flap	https://vimeo.com/834854668/873d55a7b77share-copy
Brisket	https://vimeo.com/834854230/7f95de3d9d77share-copy

Ball Tip to be added




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5. Offer Additional Size Options (Innovative Portions)

- **Eight video series** that communicate opportunities to add value to beef purchases through small-format cuts, or "Mimis", and innovative culinary concepts while still providing customers with a satisfying experience.


Innovative Portions	VIMEO Link
Korean-Style Two Bites Steaks	https://vimeo.com/834854120/7a7374e2777share-copy
Grilled Steak with Barley Salad	https://vimeo.com/834859364/7e30259a6d77share-copy
Beef and Cheese Eggroll Bites	https://vimeo.com/834859394/780b24632277share-copy
Roast Beef Sliders with Corn Pickle Relish	https://vimeo.com/834859621/5851c8d0d77share-copy
Philly Cheese Sliders	https://vimeo.com/834859777/89cc7739277share-copy
Sirloin Lettuce Wraps	https://vimeo.com/834859694/08a6a5d6c77share-copy
Mushroom-Crusted Tenderloin Cubes	https://vimeo.com/834859467/992f8e1da77share-copy
Persian-Style Mini Meatballs	https://vimeo.com/834859527/a3c68731ce77share-copy




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6. Develop High Demand Products

- Research innovative processing and value-added techniques that address unique opportunities e.g. health care sector and seniors
- Aging is associated with lower appetites, less income and perhaps issues with teeth which can lead to loss of muscle mass (sarcopenia).
- Meat products can be helpful if the tenderness and cost issues can be addressed through items like restructured beef products (in addition to ground beef).
- Restructured products can be accurately sized and perhaps even include additional ingredients for health.
 - Discussed with scientists from AAFC Lacombe earlier this month and if clear priorities can be identified by industry there is the potential to also do work with Leduc Food Processing Centre.





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Develop High Demand Products *continued...*

- Utilizing our Menu Maximize Series with nine videos. In demand already in other markets.


Product List	Develop High Demand Products Videos
1. Tri-Tip	https://vimeo.com/83485456/774ea13a9057share-copy
2. Outside Skirt	https://vimeo.com/834854910/03ba7834177share-copy
3. Inside Skirt	https://vimeo.com/834854737/6a533a8c9977share-copy
4. Bottom Sirloin Flap	https://vimeo.com/834854654/3d35b1009577share-copy
5. Eye of Round	https://vimeo.com/834854815/37da164e677share-copy
6. Chuck Eye Roll	https://vimeo.com/834854402/35a9f789077share-copy
7. Chuck Flap Tail	https://vimeo.com/834854322/abba5579177share-copy
8. Clod Tender	https://vimeo.com/834854986/1923a96d77share-copy

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7. Monitor Beef's Competitive Position

- Determine and address issues which may impact beef market share versus competitors
- Social Media monitoring and regular attitudinal benchmarking of beef attributes with a national sample of Canadians.
- Development of protein video series.




Category	18 - 24	25 - 34	35 - 44	45 - 54	55 - 64	65+
Vegetables & Fruit	81%	81%	81%	81%	81%	81%
Flax	70%	70%	70%	70%	70%	70%
Chicken	67%	67%	67%	67%	67%	67%
Dairy products (e.g., milk, eggs, cheese)	64%	64%	64%	64%	64%	64%
Beef steaks and roasts	53%	53%	53%	53%	53%	53%
Beef	51%	51%	51%	51%	51%	51%
Pork	43%	43%	43%	43%	43%	43%
Ground Beef	42%	42%	42%	42%	42%	42%
Plant-based meat alternatives (e.g., simulated meat products)	29%	29%	29%	29%	29%	29%
Processed beef products, such as hotdogs, sausage, and deli meats	17%	17%	17%	17%	17%	17%

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8. Steak as a Takeout Options

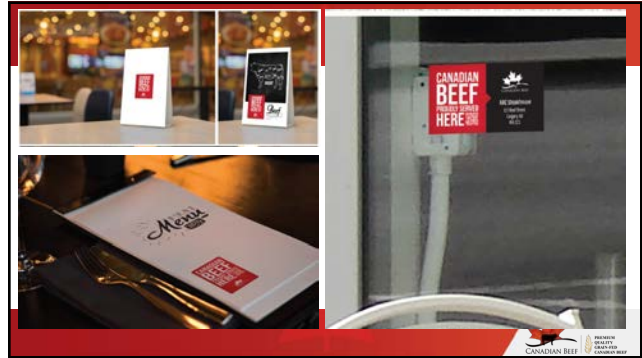
- Some restaurants are having issues with reduced satisfaction with steak as a takeout option. e.g. Boston Pizza
- Research to be performed at CBCE test kitchen along with consumer survey research.
- Survey Canadian's on satisfaction with steak at takeout including typical delivery times.
- Examine how sensory aspects including colour change during the typical delivery time
- Determine if packaging can be optimized for temperature retention e.g. eco friendly
- Develop messaging for restaurants to set reasonable expectations and prevent issues



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9. Communicate the Canadian Beef Advantage

- Communication of the Canadian Beef Advantage to guests at foodservice.
- Pilot of Restaurant Gateway with national chain with locations in Alberta and Ontario this fiscal.
- Help restaurants communicate the attributes of Canadian Beef alongside their own story.



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Communicate the Canadian Beef Advantage *continued...*

- We must also communicate CBA to employees at foodservice
 - Major aspect of the foodservice content on the Wholesale Gateway
- Among the most important aspect of the CBA is grade and also the confirmation it provides of a Canadian beef product.
- Virtual tour available this week
- Course will also be developed



10. Address Labour Shortage

- The foodservice sector is facing a significant labour shortage and the majority of Canadian operators are seeking ways to automate.
- Canada Beef developed a factsheet relating to approaches for automation at foodservice.
- At present major chains in the USA are testing the use of chatbots utilizing artificial intelligence for the drive through and managing ordering. Robot function as fryers and waiters are also entering use.
- Will be mainstream in 5 years (2028). We need to consider how to ensure automated approaches enhance satisfaction and not decrease it.



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Address labour shortage *continued...*



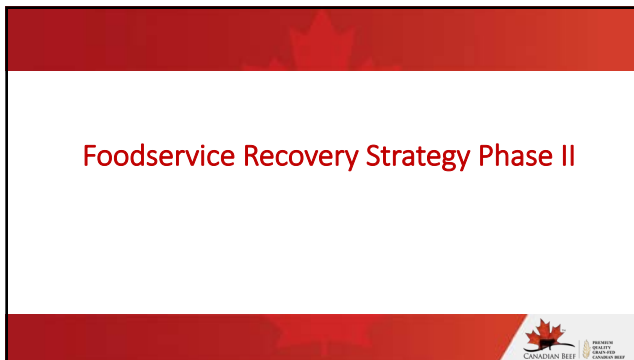
Help develop skills to broaden supply of qualified personnel

11. Communicate Food Service Recovery Initiatives

- Stories in Canada Beef Performs newsletter
- Advertising in Restaurants Canada magazine
- Launching food service section on the Cdnbeefperforms.ca website
- Developing Foodservice Expert Advisory
- Additional manpower on channel team being explored for a dedicated foodservice resource (contract)

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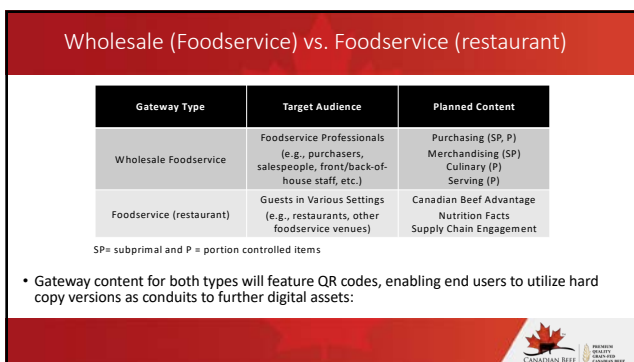
30



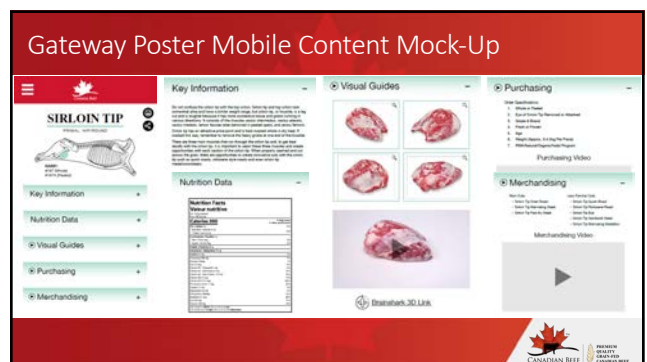
31



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14. Foodservice Financial Resources

- Three video series outlining approaches for financial decision making along with spreadsheet templates
- Plate costing analysis for menu pricing
- Analysis of rough cut specs versus ready-to-cut
- Purchasing of pre-portioned products or cut-in-house.



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15. Updated Story on Steak and Waiter Doneness Guide

- Story on steak needs to be updated with new food safety and doneness information
- QR code enabled for linkage to Gateway content
- Combine grading information with doneness card.



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16. Annual Foodservice Merchandising Competition



Canadian Culinary Federation Partnership to be expanded this fiscal. Potential to involve this association in merchandising competition to select the best beef dishes on restaurant menus.



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Timelines

- Completion of FS Recovery Strategy the eleven Phase I items this year.
- Majority of Phase II to be completed this year with some items going into next fiscal for first editions including launch of restaurant gateway.
- Communication of new resources to the sector will be key and may require additional human resources.



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Thank You



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Canada Beef
Year ended March 31, 2023
Statement of Operations - year-end adjustments

CBCE upgrade

Total spend	1,245,704
Capex	1,239,728
Opex	5,976
	1,245,704

Program spend per statement

add: cbce capex

Adjusted

Budget

Adjusted % spent

deficit per statements

add: cbce capex

Budget deficit

Adjusted %

Per statement	As adjusted
8,720,801	8,720,801
	1,239,728
<hr/>	<hr/>
8,720,801	9,960,529
<hr/>	<hr/>
9,959,840	9,959,840
88%	100%
(164,112)	(164,112)
	(1,239,728)
<hr/>	<hr/>
(164,112)	(1,403,840)
<hr/>	<hr/>
(2,558,640)	(2,558,640)
6%	55%