Canadian Luing Cattle Association Newsletter

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Message From The Secretary

Iain Aitken

Welcome to our 2023 Winter Newsletter. Conditions are hopefully improving for our cattle producers with many of us in Western Canada enjoying higher cattle prices and having larger feed reserves than last year. Many thanks to repeat customers across Canada whose confidence in our genetics resulted in the largest number of Luing bulls sold in Canada in a year since the 1980s.

A warm welcome to the Luing world also to the following customers who purchased Luing genetics for the first time in 2022:

Steve Richter, Cold Lake, AB
Thomas Duerksen, Minto, MB
Malarky Farms, Minnedosa, MB
Venator Ranches, Hudson Hope, BC

Luings for Sale

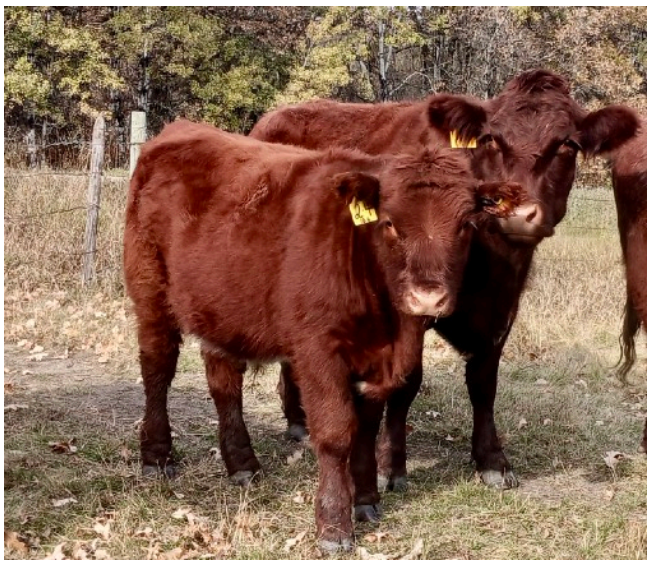
Two rising 2 year old bulls located at Innisfail, Alberta contact: Grant Lastiwka (403) 350-6394

A good selection of rising 2 year old bulls from the Medicine River and Greywood Luing herds. Located Belmont, Manitoba.
Trucking across Canada can be arranged and bulls can also be tested for export to the USA. Luing semen also available, please see our website www.luingcattle.com or contact me for further information.

What Future For Beef?

By Iain Aitken

One of the big stories in the closing months of 2022 was another huge sell-off of the cow herd in Western Canada. This shouldn't have taken us by surprise as it's been happening on an ongoing basis since 2003. What surprised me however was the fact that so many cows only made slaughter value in a year where calf prices were significantly up indicating we are nearing the peak of the cattle cycle and potentially have two years of record prices ahead of us. Of course we don't need to dig too deep to uncover reasons why many ranchers are continuing to throw in the towel. An ageing rancher demographic combined with a shortage of labor and fewer young people interested in becoming ranchers makes the ongoing operation of ranches challenging. Parts of Western Canada are still facing significant drought conditions and high feed prices. Almost all of Western Canada suffered severe drought in 2021 and many ranchers incurred substantial debt carrying their cow herds through it. Several people have told me that although their calves sold at, or near, record highs in the fall of 2022 this was not enough to cover the costs incurred producing this calf crop. In addition to drought inflated feed costs so many other input costs have also increased over the last two years including fuel, machinery and lumber costs.



The real bottom line is that ranchers have endured too many years of insufficient returns for the labor and equity invested in their operations. The parasitic nature of the cattle industry which sees the packing sector taking an unfair proportion of the retail beef dollar has been the major cause of the woeful rancher's returns over the last two decades. Ironically despite the outrageous profitability of the packing sector in recent years it also presents the biggest risk of the ongoing downsizing of the Canadian herd. That being the risk of losing one of the two big packers in Alberta leaving us with only one domestic plant bidding on cattle in Canada which would put further downward pressure on cattle prices and rancher profitability. The need to export live fat cattle to maintain any level of competition would put us in an even more precarious position in the event of a future border closure with our main market in the US.

Another major factor leading to the cow herd sell-off is alternate land use

options. Around here that means an increase in cultivation of grain and oilseed crops. This has been considerably more profitable than raising cattle, especially since commodity prices hit record highs in 2021 due to drought limiting yields but prices were only slightly back on that in 2022 with much larger crops. One advantage that crop farmers have over ranchers is the protection offered by Government subsidised Crop Insurance. For ranchers to be on a similar footing we would start each year with a guarantee that we would successfully wean a good calf off every cow and any shortfall we might have would be made good by a compensation cheque based on values higher than the cost of production!

With the large amount of pasture and hay land that's been converted to growing annual crops in Western Canada I sometimes wonder where all the extra crop goes. In recent years there have been many areas of the world suffering extreme weather conditions that increased their need to import grains. The world population continues to grow, topping 8 billion for the first time in 2022. This puts pressure on a shrinking agricultural land base to produce more food than ever before.

Another symptom of the expansion of crop growing acres in Western Canada was the construction of the largest pea processing plant in the world at Portage La Prairie, Manitoba. This plant is devoted to the production of "fake meat" ie using peas as the base ingredient to produce a pea and chemical concoction that is supposed to simulate and replace beef.
I find their location rather strange as Manitoba is not a place that has historically grown many peas as the climate really doesn't suit. It is typically too wet and too humid which isn't conducive to growing healthy peas. I'm not sure either what the long term fit of these "meat alternative" products is in the human food supply chain. North American consumers very quickly got over their novelty value and many of the fast food chains that were selling them are now removing them from menus. I don't really see an opportunity for these products to feed the hungry in the developing world either as the products were more expensive than the beef they were seeking to replace and many in the third world are already quite familiar with cooking pulses in a traditional manner and consuming them without the need for further processing or chemical additives.

Crops continue to being grown to produce substitutes to fossil fuels namely ethanol and biodiesel in North America. This biofuel production system outputs only marginally more fuel than it cost fossil fuel to create it. Unfortunately it has created the illusion of fuel security perpetuating the SUV culture whereby individual commuters drive around in a huge vehicle that would make a comfortable village bus in the developing world. Unfortunately as a society we seem unwilling to address the fact that we are simply living beyond the means of what the planet can support.

Which brings me onto perhaps the biggest factor influencing cattle production at the moment - the Climate Change mitigation policies being introduced globally. It's no secret that cattle production almost everywhere is being portrayed as one of the worst polluters. The evidence to back that claim up is harder to substantiate yet I've seen no politician anywhere interested in coming to the defence of the keepers of ruminant livestock. For many of us involved in animal agriculture it appears that we are being picked on as we are an easy target.

In Canada there is talk of cutting emissions by reducing fertiliser usage in addition to the Carbon Tax we already have. Yet we have bush and perennial pastures being broken to grow grain, oilseed and pulse crops that require additional use of fossil fuel derived inputs like fuel, fertiliser, machinery and agrochemicals. Some of this will potentially produce fake meat to replace beef that doesn't require as many of these inputs yet we are led to believe that less greenhouse gasses are emitted in the process?

In Europe a lot of acres are devoted growing grain and forage crops to feed Anaerobic Digesters that produce gas which is then turned into electricity. As the process uses high capacity conventional diesel powered farm machinery to plant, harvest (ensile) and then feed the AD plant you've got to wonder how this could be deemed any kind of Climate Change solution.

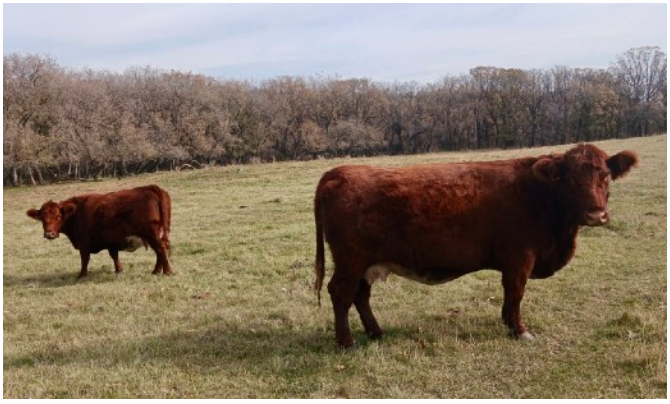
Still more agricultural acres around the world (particularly Scotland and New Zealand) are currently being blanketed in new trees as their Governments chosen route to mitigate Climate Change. This reduction of acres available for agriculture is causing a large reduction in numbers of grazing livestock. In Great Britain for example cattle numbers had already declined by 25% between 1996 and 2016. Various European

countries have already committed to reducing their livestock numbers by a further 25% to meet emission reduction targets.
Unfortunately it seems those making these decisions have little idea of the complexities of the situation and the nuances involved. Planting trees may sequester carbon but they are not planting trees into a vacuum or onto a previously unused piece of land. The land management practices that formerly supported grazing livestock, in addition to providing food, also supplied carbon sequestration benefits that we as yet don't have the scientific skills to measure.

What frustrates me is the lack of holistic thinking to devise a policy globally to reduce usage of fossil fuels, generally accepted as the primary driver of Climate Change. Planting additional trees may sequester more C02 but as it's being used in Scotland or New Zealand it's main purpose is to provide "carbon credits" which can be bought by manufacturing corporations and airlines which allow them to continue to emit C02 in their operations and claim they are offsetting these emissions by investing in planting. It doesn't take a genius to figure out that this is a shell game rather than a real solution - the polluters are still polluting and at some point we will run out of land to plant trees on.
A further problem that is overlooked is that replacing livestock with trees doesn't eliminate the need for the protein those livestock provided - it just moves the production elsewhere in the world. That comes at a cost both financially and environmentally as the infrastructure and knowledge is abandoned in one location and has to be built from the group up elsewhere. One example of that are massive hog production facilities being built in China that are 26 stories high to house an incredible 300,000 hogs each. As they are located in densily populated areas you can imagine the potential for disaster this creates with everything from fire risk to pollution to contagious disease. China of course is a huge importer of feedstuffs like soya beans which requires these feeds to be transported half way around the world using fossil fuels!

From global issues I want to return to those affecting cattle producers in Canada. Much as it saddens me to drive past yards with broken down and abandoned cattle facilities perhaps its inevitable? Beef cattle take a lot of acres to produce a given quantity of protein compared to pulse crops for

example. I've always felt that cattle's natural advantage was in their ability to convert low quality roughage and human food byproducts into high quality protein. On that basis there is an argument that it can only be justified running the cowherd on land that can't support growing annual crops. This however ignores the potentially beneficial impact of properly managed grazing cattle growing protein at the same time as they build soil and sequester carbon better than any annual grain crop ever can.



This brings me to the issue of cattle genetics. I see two schools of thought about the way cattle are run at the moment and how they might be run in the future. Some ranchers, ourselves included, are pursuing a "grass-fed" approach where more of the focus is on soil health and forage production with the beef produced being in some ways a high quality byproduct of the management of the land resource. Thus far we are not being acknowledged or rewarded for the ecological goods and services we are providing. This type of production may involve little fossil fuel usage but is still criticised by the Climate Change influencers as the greater reliance on forage leads to an older slaughter age which equates to more lifetime methane emissions per pound of beef produced.

The other school of thought is being guided by the feedlots whose only way to secure a meagre living selling cattle to the packer is by putting more pounds on each carcass. Average carcass weights in Canada now hover around 900lbs and the cattle consume a lot of grain to attain these weights. In theory because of the rapid weight gains on the high energy diet this will reduce each animal's lifetime methane production. However this may not reduce overall emissions when you factor in the fossil fuel required to grow and transport the extra grain.

I see two weaknesses in this latter approach - one is that when ranchers focus on producing larger growth potential feedlot cattle it usually leads to them running larger cows than they can afford to maintain economically.
The second concern I have is with the competitiveness of the beef product produced under the more intensive grain feeding system. The feedlot steer will never compete with a hog or chicken on feed conversion efficiency and especially during times of high grain prices you risk pricing beef out of many consumers budgets at the meat counter.

So to conclude my article I must confess I don't have a crystal ball to predict the future of beef ! There seem to be so many variables at the moment many of which we've never confronted before. Particularly difficult to predict are the implications of the various Climate Change mitigation policies being introduced as they are not driven by logic or economics but by Government whim and subsidy.

Or perhaps it's just a cycle we are in? I remember when many Alberta cattlemen bought undervalued farmland in Eastern Saskatchewan in the early 2000s. The economics of grain production had been so poor for so long it made more sense
to fence the land, seed it to grass and produce beef. The situation we face now is the complete opposite of that. Perhaps it will turn around again and as the old saying in Britain goes we will once again enter an "up horn - down corn" cycle?

Early Luings in Manitoba

By Iain Aitken

I had an interesting visit this Fall to what will be the longest running commercial Luing herd in Canada - at the Carsons of Thornhill, Manitoba. It's founder, Harold Carson, was a mink breeder for 40 years when that was still a substantial industry in Manitoba. As a breeder he used and understood line-breeding and developed the Carson Blue Iris and Capucine mink. In addition to the mink the Carsons also grain farmed and raised a herd of commercial Shorthorn cattle. In 1975 when the first Luings were imported into Canada Harold used Luing Rocket semen over some of his Shorthorn herd and they have basically used Luing ever since.

As time went on the cow herd was reduced substantially as the family focussed more on grain production and since the early 1990s they have purchased all their Luing bulls, initially from Dr Bob Church, and latterly from me.
Harold's daughter and nephew have carried on the herd since his death in 2000, both with a keen interest in the cow families and the breeding methodology he had used. Although the Carsons never had any interest in registering purebred cattle, phenotypically these commercial cattle are absolutely Luing in type. It was a real treat for me to walk into a field and see this outstanding group of Luing cattle that are the product of more than 45 years of dedicated breeding. It's also a reminder that trading high value seed-stock, the skills of artificially feeding, bringing out and showing cattle and even having registration papers are all superficial to the real art of breeding cattle.

Note: All the pictures apart from the front cover were taken in the Carson herd at Thornhill.

Canadian Luing Cattle Association

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