



Canada Beef Export Federation

235, 6715 - 8th Street, N.E.

Calgary, Alberta

CANADA T2E 7H7

Tel: (403) 274-0005 Fax: (403) 274-7275

E-mail: canada@cbef.com

NEWS RELEASE

FOR IMMEDIATE RELEASE

2009-10-14-1

CBEF WELCOMES EXPANDED RUSSIAN ACCESS FOR CANADIAN BEEF

Calgary, Alberta, October 14, 2009 –

The Federation welcomed the announcement by Agriculture Minister Gerry Ritz that Canada and Russia have agreed to expand market access for Canadian beef to include bone-in Canadian beef derived from cattle under 30 months (U30M) of age and boneless beef derived from cattle over 30 months (O30M) of age.

Canada previously had access for U30M boneless beef and selected offal. An agreement-in-principal for access for U30M bone-in beef was reached earlier this year; with today's announcement, this access has now been finalized and the export certificate approved.

The announcement came following a meeting between Minister Ritz and Russian Deputy Prime Minister Victor Zubkov October 13th in Moscow, where Minister Ritz is leading a mission to expand export opportunities for Canada's agriculture sectors. The Federation's President Ted Haney is participating in the Russia Mission.

"Along with confirmation of access for Canadian U30M bone-in and O30M boneless beef, the governments of Canada and Russia are also working to allow trade in Canadian O30M bone-in and offal to Russia in the relatively near future," says Haney. "We think this will take Russia exports from the current \$5 million (5,000 tonnes) level to about \$40 million (15,000 tonnes)."

The Federation believes the breakdown of these exports will likely be \$20 million of U30M product; \$10 million of O30M; and \$10 million of offal. It believes that some packers will not trade U30M product into sensitive markets until Canada has bone-in approved, as they do not want to run the risk of being delisted. As well, it is much more efficient to ship offal if packers don't have to segregate U30M and O30M liver.

Canadian Exporters Ready to do Business

"Congratulations to Minister Ritz and CBEF President Haney for their wonderful work in Russia," says Gib Drury, Federation Board Chair. "The new opportunities created by this agreement are greatly appreciated by the exporters of our fine Canadian beef.

"We look forward to the final export protocol and to clarification on how individual beef and veal exporting establishments will be approved for export to Russia," he says.

“While we expect that Russia will eventually grant system-wide approval for all CFIA-inspected meat processing establishments, we do hope that all existing approved establishments will be able to immediately begin exporting the newly approved products without having to go through any additional inspection processes. There are currently twelve such Canadian establishments awaiting approval.”

One such establishment is Federation Export Member Cargill Foods. “Cargill is very pleased with the leadership by our Canadian Agriculture Minister,” says Robert Meijer, Cargill Corporate Affairs. “The trade agreement today will provide real benefit for our Canadian value proposition to help better reward our beef producers. We look forward to recognition by Russian authorities in the near term, so that our Eastern-based beef operation may equally trade with such markets.”

The Federation’s Technical Committee Chair, Christoph Weder, advises that Canada is confident in its ability to meet all of Russia’s health and sanitation requirements. “Canada’s exporting establishments are inspected by the Canadian Food Inspection Agency under the terms and conditions of the Meat Inspection Act and according to the Food Safety Enhancement Program (FSEP),” says Weder. “FSEP is the agency’s approach to encouraging and supporting the Hazard Analysis Critical Control Point (HACCP) systems in all federally-registered establishments.

“Canada’s exporters are ready to do business in Russia,” he says. “And now, at the beginning of the expanded market access process, is the time to do the relationship building and product promotions that will lead to export success.”

The Federation operates offices in the key international beef export markets of Japan, South Korea, Taiwan, Mainland China, Hong Kong and Mexico

For more information, please contact:

Ted Haney
President
Canada Beef Export Federation
235, 6715 - 8th Street, N.E.
Calgary, AB T2E 7H7
Tel (403) 274-0005
Fax (403) 274-7275
Email tedhaney@cbef.com
Website <http://www.cbef.com>

Gib Drury
Board Chair
Canada Beef Export Federation
Tel (819) 459-2991