

Check-off dollars critical to the future success of Alberta's sheep industry

If Bill 43 passes, the provincial government may force producer-led organizations like the Alberta Lamb Producers to drastically curtail activities

Each time Gerrit Van Hierden tags one of the lambs on his farm near Fort Macleod, he contributes another \$1.50 to the Alberta Lamb Producers (ALP) to help make Alberta's growing sheep industry more profitable. Instead of an expense, he sees it as an investment.

“I consider my check-off an investment for my business and feel I have received good value and return on my money,” says Van Hierden. “ALP is my connection to the heartbeat of what’s happening. They watch out for my business.” Along with his flock of 850 ewes, Van Hierden also raises cattle and crops on his family farm.

Check-off is paid once per animal compared to the cattle industry where check-off is levied every time the animal changes hands. However, those all-important check-off dollars are under serious threat from Bill 43 -The Marketing of Agricultural Products Amendment Act, a government-sponsored legislation that will make check-off refundable to producers in the cattle, pork, sheep and potato industries and for the lamb industry starting September 1, 2010.

What baffles sheep producers like Norine Moore, Chair of the ALP Board of Directors, about Bill 43 is that this is being done without consultation with anyone in the specific commodity groups to see if it is even required, much less wanted.

“To introduce legislation like Bill 43 at the same time when government is asking our industry to step up and provide more funding for activities as well as implementing mandatory programs makes no sense at all,” says Moore

According to Moore, who raises sheep near Stavely, the key challenges facing Alberta's sheep industry are attracting more producers to become involved in the industry and encouraging existing producers to expand their flocks in order to meet growing demand.

Consumer demand is on the rise as more people continue to discover the flavour and tenderness of lamb, and Alberta lamb in particular. Despite the fact that restaurants and retailers are eager to serve

local product, Canadian lamb currently fills only 50% of the current market with rest being imported.

Nevertheless, in a move to appease factions in the beef industry, Minister of Agriculture George Groeneveld hopes to see the legislation passed before the end of the spring session. According to a recent article in the Western Producer, Groeneveld said they should only “lose between eight and ten per cent of funding and doesn't think that a refundable check-off will place commodity groups in a difficult situation.”

Moore knows differently: “Currently 100% of our operational budget comes from check-off contributions. Without that investment in the industry ALP will need to curtail their representation of the sheep industry to government, ALMA, and within the value-chain, not to mention the valuable information services, research, and production support we provide.”

Moore points out that difficulty in budget forecasting and limiting producer communications and education initiatives are just the tip of the iceberg.

“Over the last five years, each producer check-off dollar has leveraged an additional three dollars of external funding for industry initiatives such as health, extension, research, promotion and industry development,” she says. “Fewer check-off dollars will have a direct, negative impact on accessing those funds which means our industry will have fewer project options.”

Another point of contention for ALP is that, according to the Minister, Bill 43 will result in more accountability for each of the commodity groups.

“We are a democratic organization directed by producers for the benefit of producers,” says Margaret Cook, Executive Director for ALP. “The elected representatives, supported by advisory groups, direct the use of the check-off dollars. You can't get much more accountable than that.”

Moving beyond Alberta, decreased funding will also have a negative impact on Canada's national sheep industry. ALP is the third largest contributor to the Canadian Sheep Federation which could create budget constraints at the national level.

Back at Gerrit Van Hierden's farm, he sees nothing positive for the sheep industry in the proposed

legislation.

“If people are looking to put money in their pockets by asking for a refund, they will have a short term benefit with a long term detriment to the industry,” he says. “The whole industry benefits from Alberta Lamb Producers so if everyone isn't willing to pay, it's not fair to those who are.”

As for Moore, she doesn't mince words: “Ultimately the vitality of the industry lies with producers. We are confident that our members value the important services we provide and will continue to support their organisation and our efforts to keep the sheep industry in Alberta growing, profitable, and vibrant.”