

NEWS RELEASE

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BC Food Processors Association

B.C. MEAT PROCESSORS IDENTIFY PRIORITIES FOR STRUGGLING INDUSTRY

Abbotsford, B.C., March 10, 2009. "This is a make-or-break time for the industry, and we re-affirm our commitment to it," says Nico Human, CEO of the BC Food Processors' Association (BCFPA), after wrapping up a two-day conference March 5-6 for BC meat processors at the South Thompson Inn near Kamloops.

Processors at the conference agreed to form an advisory committee to work more closely with the BCFPA, and the group identified two priorities for immediate and concerted action.

The first is enforcement of food safety regulations for meat products. Slaughter facility operators who have invested to be fully compliant (licensed and inspected) should not find themselves struggling and unable to compete with un-inspected meat products from "underground" sources. A level playing field is required: all participants in the business should be subject to the same rules.

The second is the cost and availability of waste disposal. This relates to fees charged by collectors and lack of viable approved options for slaughter waste disposal.

"We heard very clearly from the processors," says Human, "about how threatened their businesses are. We agreed to pursue the enforcement and waste questions as top priorities. We understand that many of the licensed processors cannot stay in business if their waste costs continue to rise uncontrollably."

BC currently has over 30 provincially licensed and inspected businesses that slaughter livestock and support butcher shops providing meat products for BC consumers. Most of these businesses are family owned. In the last five years they have been faced with significant challenges related to introduction of costly health, safety and environmental standards.

These challenges, now deepened with the global recession, have been particularly difficult for red meat processors. The federal requirements to remove slaughter waste from animal feed because of BSE meant that value from the waste stream has disappeared. Now the cattle hide market is collapsing, and another revenue source is becoming a waste. In the last month, waste collection fees have doubled. "What was a revenue stream of some \$85,000 per annum for us, before BSE, has now become a liability of more than \$200,000 per annum," says Musa Ishmail of Pitt Meadows Meats Ltd. "We simply cannot pay this and still make a living."

The BCFPA has been working with BC slaughter plant operators since 2005 to assist them with licensing under BC's Meat Inspection Regulation, which was fully implemented in 2007. "We appreciate the support of the Province of British Columbia," says Human, "which asked us to administer a program to assist with licensing transition and another to provide capital cost support for slaughter facility upgrades and new builds. This has been helpful to the industry, but with the global recession and the drastic decline in animal prices and numbers (especially in cattle) this is not enough."

The conference also featured sessions on labour force recruitment, product development and product sales opportunities for 2010 and the Olympics. “A time of recession is just when we need our own BC food processing businesses most,” says Human. “The consumer demand is there – but ensuring the supply isn’t simple, or easy. Public policies and programs need to be flexible enough to meet the diverse needs of the livestock and meat industry (red meat; poultry; remote, rural or urban areas) and support adequate slaughter capacity for the whole province. Our goal is to ensure a consistent supply of BC-raised and processed meats for BC markets – now and in the future.”

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The **BCFPA** is a non-profit organization dedicated to represent all segments of the food, beverage and nutraceutical processing industry, and to coordinate common industry activities and resources under one umbrella. The Association represents micro, small, medium, and large processing companies.

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