



BC Beef Packing Plant: an update

by Susan Evans

This is the first in an ongoing series of articles to keep producers informed about the opportunity to build a federally inspected beef packing plant in BC.

A beef packing plant in BC is one step closer. The Honourable Minister of Agriculture, Lana Popham announced funding to support further development of a federally inspected beef packing plant project in Prince George.

This project has been six years in the making. It all started in 2012 when BCCA received funding under the Ranching Task Force to commission an exhaustive report to explore opportunities for a branded BC beef program at retail and foodservice within BC, the Pacific Northwest and internationally.

The report demonstrated that consumers were willing to pay more for differentiated beef products such as antibiotic and hormone-free beef. The report also showed that consumers wanted to buy beef that was identified as being raised in BC—and were willing to pay more for it.

BCCA used the information gathered in that report to develop a differentiated beef product line for a retail chain in BC. This product was designed to replace their organic line with a “raised without” product line and incorporated Verified Beef Production as a supply requirement. Supply was secured however there wasn’t a packing facility available to process the cattle—small plants didn’t have capacity available and large plants didn’t have the flexibility to run product at an economical cost. The project was abandoned, highlighting the limitations of being able to meet and maximize retail consumer demands.

The report and the opportunities presented created enough interest that in 2015 the Ministers Agriculture Advisory Committee (MAAC) funded a study—*The Viability Initiative: Federally Inspected Beef Packing Plant in BC* to explore if BC could support a federal packing facility. After the extensive research and exploration undertaken in the plan, the Ministry of Agriculture felt that the study warranted the development of a business plan that incorporated the findings from the Market Analysis report and the Viability Study.

That business plan was completed May 2017 and submitted to the Ministry. After careful review and consideration, the Minister approved the development of a commercialization strategy to further explore the opportunity to develop a federally inspected beef packing plant in British Columbia and agreed to invest in the strategy.

“I am excited to support the amazing people who work in our ranching sector in the North and throughout the province,” says Lana Popham, Minister of Agriculture. “This project has the potential to ensure BC cattle are bred, raised and finished in our province, providing retailers, suppliers, restaurants and consumers with great quality BC beef. This can provide an economic boost to rural BC and give consumers what they want.”

There is still much work to be done. A steering committee made up of BC ranchers and industry experts has been formed to review the opportunity further. If the steering committee approves the plan to go to the next step, the funding will be used to develop an industry-led co-operative business model to determine what role and support B.C. ranchers could have in the plant’s ownership and operation.

Before a plant can be built, it will be critical to establish a finishing process and increase feeding capacity; these components will also be under review during the planning phase. “As beef producers, we know that keeping cattle close to home provides the best opportunity,” says Kevin Boon, general manager, BC Cattlemen’s Association. “We recognize that there will be other considerations before we start building this facility. We need to look at establishing a finishing process and increasing feeding capacity.”

Boon also highlights that while BCCA has been instrumental in commissioning the reports leading up to this point, it will be up to producers, the grain and feeding industries in BC to work together to bring the plant to life.

“The steering committee represents a broad cross-section of the ranching and feed sectors along with industry experts and it will be their job to explore all the options and make recommendations on whether the packing plant is a viable option,” says Boon.

The steering committee will hold meetings in June and July in order to:

- Evaluate the project’s merit
- Review critical success factors of the Business Plan
- Provide a Go/No Go decision of further exploration of the concept

Steering committee members include:

Grant Huffman, Beef Producer

Judy Guichon, Beef Producer

Dave Merz, Beef Producer

Allen Dobbs, Forage and Range Livestock Specialist, Allen Dobbs Consulting

Joe Heemskirk, Beef Producer

Derek Orr, Beef Producer

Mark Ishoy, President Eastern Meat Solutions/Sierra

Andrew Thomson, VP Operations Intercity Packers

And

Arif Lalani, Assistant Deputy Minister, Business Development Division

Kevin Boon, General Manager, BCCA

For more information about this project, please contact: bccattle@cattlemen.bc.ca

Watch for regular updates on this project in Beef in BC.

DRAFT