



## **Study Shows Impacts of Canadian Ethanol Policy on Canada's Livestock and Meat Industry**

**Ottawa, ON [January 31, 2012]** A study from the George Morris Centre ([www.georgemorris.org](http://www.georgemorris.org)) demonstrates that the growth of ethanol production in Canada has had negative economic consequences for the livestock and meat industry. The Canadian Meat Council partnered with the Canadian Cattlemen's Association and the Canadian Pork Council to commission a study by the George Morris Center to provide the beef, pork and meat industries with analytical information on the implications for the livestock sector of Canadian ethanol policies. As an independent think tank, the Centre provides industry decision makers with critical information and analysis on issues affecting the Canadian agri-products sector.

The ethanol industry has become a major user of grains in Canada. Government mandated use of ethanol, currently at 5% of gasoline, creates an inflated demand for feed grains. As a result, ethanol policy has had impacts on the Canadian grain markets and on other users of grain, such as the Canadian livestock and meat industry. The study, released today, concludes that Canada's ethanol production has resulted in reduced incentives for livestock production in Canada and increased exports of feeder animals that could have been fed in Canada. Reduced livestock feeding in Canada means fewer live animals for Canadian meat processors as well as fewer jobs and lower economic activity for Canadians.

The Canadian Meat Council has long advocated for government policies that promote the use of non-feed grain inputs for ethanol (such as cellulose) and bio fuels and that provide opportunities to convert animal by-products into biofuels, energy, and electricity.

"Using precious agriculture land and input resources like fertilizer, pest controls and water to grow an input to fuel our vehicles rather than feed livestock and people is not a good strategy for the future", stated Canadian Meat Council President Scott Entz, "especially now that the world's population has surpassed 7 billion people."

Canada's meat processing industry includes some 400 federally registered establishments, providing not only safe, high quality protein for Canadian consumers, but also adding jobs and making a significant contribution to local economic activity in both rural and urban Canada. With some 67,500 employees and annual sales exceeding \$ 21.3 billion, the industry is the largest segment of Canada's food processing sector. Canada exports some \$1.4 billion of beef and over \$2.8 billion of pork to over 150 different countries around the world. The Canadian Meat Council has been representing Canada's federally inspected meat processing industry since 1919.

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