

Introduction

The Canadian beef industry over the last three years has suffered drastic economic and social shocks. Beef producers have seen prices become severely depressed and production costs increase to unprecedented levels. The financial hardship which resulted forced many long established producers to sell their cow herds and leave the beef industry. This situation was caused by a complex interrelationship of domestic and international forces.

It was the plight of Canadian beef producers which prompted the Standing Senate Committee on Agriculture to become concerned with the state of the beef industry. This severe hardship can best be illustrated by quoting a statement to the Committee by a young Saskatchewan rancher, Mr. Evann Thordarson.

No industry can exist for long if it has to borrow one or two hundred dollars against its capital assets for every unit of production it markets. We (the beef producers) have in fact, during the past three years, been subsidizing the Canadian consumer by borrowing money against the equity that our fathers, our grandfathers and in some cases our great-grandfathers, built up in the form of land and brood cows, to cover deficits in our income.¹

There have been recent attempts to solve the problems in the beef industry and several excellent studies have been conducted; none of these studies, however, dealt with the critical question of long term stability. In the opinion of the Committee, therefore, there was an urgent need to assess policies affecting the long term stability of the industry. In a brief preliminary analysis it was obvious that the beef industry was lurching from crisis to crisis predicated by our international trading relations, our own domestic stabilization policies and production patterns. Members of the Committee were firmly convinced this situation was unacceptable and that action was long overdue.

The Standing Senate Committee on Agriculture launched its "Inquiry into the Desirability of Long-Term Stabilization in the Canadian Beef

¹Senate of Canada, *Proceedings of the Standing Committee on Agriculture*, Issue No. 2, December 1976, Ottawa.