

Southwest Beef Initiative exploring larger option

The South West Beef Initiative is at a crossroads in deciding what direction they want to proceed with their plans to construct a packing/processing plant near Swift Current.

A consultant's report has determined they could proceed with their initial plan, but they have since been contacted by the Canada Farm Direct group from Red Deer to become a partner in the construction of a major processing facility.

"We are kind of at crunch time with our group. We have to make some decision. We've talked to Canada Farm Direct West here this morning (Tuesday); we probably had a three-hour meeting. So I guess there's some tough decisions coming up from our group here," explained South west Beef Initiative chairperson Jim Parsons.

Dennis Duncan, vice-president of Marketing for Canada Farm Direct, said the Southwest would be a key addition in their plans to help producers revive Canada's meat industry.

"We figure that Southern Saskatchewan is a prime opportunity for Canada Farm Direct to expand its packing facilities, particularly a "fat" plant. We believe Alberta has enough packing facilities and enough feedlots, so I think Southern Saskatchewan is prime for that development."

He said Tuesday's meeting with the South West Beef Initiative was a chance to see where their project was and if they could develop a partnership to move ahead.

"We just want to be able to, either with them or on our own, penetrate this market with about a 1,000-head a day 'fat' plant. We're not stepping on their toes. We're working in an alliance. Whether they want to bring in what they're doing and make it a Canada Farm Direct, or whatever. That's where we want to go with this part," Duncan said.

"A plant of that size in Saskatchewan could amply be fed with their fat cattle. And it could grow from there. It could get bigger from there as the industry develops and new markets develop."

Parsons said the South West Beef Initiative recently received their consultant's report suggesting their originally proposed

facility could process about 200 cows, bull and bison per day.

"We've been talking probably for the past six months about 300 to 500 head, and the consultant came back at 200 head. That's not so much different in the sense that if you get the 200 head up and running, and it's going good, you can double the capacity if you have the sewer, the water and the cooling system."

The approximate cost of this project would be in the neighbourhood of \$20 million, and would create between 100 and 125 jobs.

Parsons admitted that he has received many calls from producers in the Southwest on the project's lack of processing capability for fat calves.

"I think one of the things that's lacking in our proposal at South West Beef Initiative is there's no part there for the fed cattle for the under 30 months. What we were looking at was cows, bulls and bison, so it kind of leaves the feedlot aspect out of this thing, and we hate to do that."

"In talking to Canada West here, we can see that maybe there's an opportunity with the plants that they're buying and stuff, that maybe we can do both."

Parsons said the South West Beef Initiative group has some big decisions ahead, and they would be meeting as a full committee to discuss the issues further over the next week.

"I think it's foolish not to try and work together. There's no use having three or four initiatives running around this province. I think we've got to get together and try to figure out, mainly, what's best for the agricultural producer. He's number one here. That's how this thing got started and that's how we're going to finish it," Parsons said.

Canada Farm Direct is a producer-controlled initiative to purchase a major beef processing company to reduce the existing dependency of United States packers.

*Press Release Date:
The Southwest Booster
February 12, 2005*