

# MBP 2024 District Meetings: Frequently Asked Questions About Livestock Inspection

## What is livestock inspection?

- Livestock inspection is a tool used to help demonstrate livestock ownership. Deterrence of livestock-related theft and fraud through the use of tools like this is important to securing livestock commerce, and helping to instill greater confidence across the beef value chain.

## Why is there talk about possibly expanding livestock inspection in Manitoba?

- Cases of theft or fraud related to cattle can be very costly and disruptive for the affected parties.
- It is also important that lenders, investors and buyers are confident about ownership when undertaking livestock transactions in Manitoba.
- Recent incidents of illegal activity involving Manitoba cattle have led to a renewed discussion about potentially expanding livestock inspection services here.
- Manitoba Beef Producers' (MBP) board of directors believes it is important there are tools to help secure the livestock value chain in Manitoba. MBP is investigating whether expanded local livestock inspection would help act as a deterrent to theft and fraud and instill more confidence.
- MBP wants feedback from producers to gauge the level of support for expanded inspection.

## What does livestock inspection involve?

- Livestock inspection involves a visual inspection of livestock and the issuance of a certificate. The certificate is used to identify the inspected livestock and accompanies these animals in transit.
- It can be required on some commercial transactions and recommended on private transactions.
- It provides *prima facie* proof of ownership during transit, i.e. the principle that the information is accepted as correct until proven otherwise.
- It provides a record of livestock types, head counts, brands and transporter details.
- This report is independent of other required invoices or bills of lading financial information.
- The certificate provides a solid link to a source and destination for the animals.

## Isn't there already livestock inspection in Manitoba? What does it cost?

- Currently, Manitoba has inspection on westbound cattle due to regulatory requirements in Saskatchewan and Alberta. These services are delivered by Livestock Services of Saskatchewan (LSS).
- LSS charges \$2.75/head to deliver the service in Manitoba. LSS is currently reviewing its fee to determine if an increase may be necessary.

## What is Livestock Services of Saskatchewan (LSS)?

- LSS is a non-profit entity owned and operated by the five main livestock producer groups requiring inspection services in that province. The groups governing LSS Corporation are the Saskatchewan Cattlemen's Association, Saskatchewan Stock Growers Association, Saskatchewan Cattle Feeders Association, Saskatchewan Horse Federation, and Livestock Marketers of Saskatchewan.
- LSS provides livestock inspection services for cattle and horses, administers livestock brand registration, and livestock dealer licensing for the Saskatchewan livestock industry.

## How would this work?

- MBP is considering advocating for LSS services to be expanded to operate with more powers here.
- For example, Saskatchewan's legislation and regulations allow for settlement holds. These occur when a Livestock Inspector is unable to verify ownership of the livestock, unable to determine who is entitled to be in possession of the livestock, or is unable to determine who is entitled to the sale proceeds. Holds can be lifted when information is provided to verify claims of ownership by the seller.

- According to LSS, shipping without inspection is the most common infraction of the Livestock Inspection and Transportation Regulations in Saskatchewan, but there are several other offences related to non-compliance with the legislation as well. Inspection staff logged files relating to infractions ranging from failure to obtain a dealer license and bond, to failure to notify inspection, use of an expired brand, refusal to provide a manifest and others.
- LSS inspectors will work with the RCMP on any files deemed to be possibly criminal in nature.
- MBP believes use of the existing LSS inspection infrastructure would be most efficient rather than building a new inspection system from the ground up.
- Inspectors would provide services at unload at sales facilities, with potential traceability duties to add to value of the services. These services could add value to the primary producer

#### **Would I have to brand my cattle?**

- No, animals can be inspected without brands. However, a brand is a more definitive demonstration of ownership and can make it easier to do trace investigations if an issue arises.

#### **If it were to expand in Manitoba, would it be mandatory?**

- To maximize the benefits of expanded inspection services, it would need to be mandatory.

#### **What benefits will I get from livestock inspection?**

- Expanded inspection could prove to be valuable in deterring livestock theft and fraud.
- It should instill added confidence in those who are financing, investing or buying cattle in Manitoba.
- There could be other added value components, such as helping with reporting requirements related to federal traceability and movement reporting requirements, particularly if an electronic record system was used for the inspections.
- Having support and data collection ability by inspectors at different stages of the value chain could also potentially provide benefits to programs that require full farm to fork traceability for premium capture.

#### **How many inspections is LSS already doing in Manitoba?**

- According to information provided by LSS, they completed 3,331 inspections in Manitoba in 2023-24 for a total of 167,362 head, mostly cattle. Of this total, 152,313 head was livestock voluntarily inspected in Manitoba prior to shipment west. LSS also did a further 31 inspections for a total of 2,569 head of Manitoba-origin cattle on arrival at Saskatchewan feedlots. Those numbers will increase as LSS begins inspection duties under the newly-revised Saskatchewan legislation.

#### **Does inspection actually work?**

- In its 2023-34 fiscal year annual report, LSS estimated the value of the service to the sector to be nearly \$35 million, which includes the value associated with proceeds of sales being redirected to their rightful owners, identify stray animals, dealing with instances of livestock being reported missing or stolen, and in terms the value of cattle/proceeds withheld for clearance.
- ***While no system is foolproof, MBP believes it could be valuable tool to help reduce the risk of livestock-related crimes in Manitoba.***

#### **What's next?**

- MBP is seeking member feedback to gauge the level of interest in and support for an expansion of inspection services. We recognize producers may have questions or concerns about a move to mandatory inspection. Your input is very important as we continue to investigate this.