

ANNUAL REPORT 2016





Table of Contents

Letter from the Chair	3
Letter from the Executive Director	5
Council	6
Membership	7
This year sees the completion of the National Beef Sustainability	
Assessment and Strategy	8
Steering Committee report	8
McDonald's Sustainable Beef Pilot Project wraps up	
and passes torch to CRSB	10
Considerable progress being made on the Verification Framework	11
Indicator Committee report	12
Verification Committee report	15
The CRSB received lots of attention this year	16
Communications Committee report	16
Projects	17
Financials	19
Report on the summarized financial statements	19

Letter from the Chair



This year was an exciting year for the Canadian Roundtable for Sustainable Beef (CRSB). Interest in our organization has been increasing rapidly and we have captured that momentum by proactively raising awareness of our commitment and work to advance continuous improvement in the sustainability of the Canadian beef industry.

I want to begin by thanking our membership, partners, stakeholders, volunteers, governance bodies and staff for their continued support and dedication to the CRSB. We are a multi-stakeholder organization, and without a team effort, we would not succeed. I also want to acknowledge the funding provided by the Alberta Livestock and Meat Agency.

In October 2015, I had the pleasure of attending the Global Roundtable for Sustainable Beef (GRSB)'s General Assembly Meeting in Amsterdam, Netherlands. At the meeting, we learned about various global sustainability

initiatives, including the Brazilian and U.S. Roundtables, and the important topics to discuss globally, such as antimicrobial stewardship. I presented on the CRSB's progress, and we were commended on the fast speed at which we are moving. This is a result of the investment our industry received through the McDonald's Sustainable Beef Pilot Project and the hard work of our membership, for example, through our committees, participation in meetings and dissemination of our work.

The McDonald's Wrap Up meeting in June 2016 was another milestone for the CRSB. This marked the official transition from the Pilot Project to the CRSB's Verification Framework. The event was very well attended by industry and media were abuzz beforehand. It provided good exposure around the future direction of the sustainable beef conversation and the multi-stakeholder, collaborative approach taken by both organizations.

The CRSB is co-hosting the Global Conference on Sustainable Beef in Banff in October 2016. This is a great opportunity to showcase the continuous improvements being made in the Canadian beef industry. Delegates from all over the world are attending. My ranch is one stop in the pre-conference tour, and I am honoured to open up my home to this group. I hope you will participate in the conference and join me in welcoming our global partners to our beautiful country.



Cherie Copithorne-Barnes

THE FIVE PRINCIPLES OF SUSTAINABLE BEEF



Natural
Resources



Animal Health
& Welfare



People & the
Community



Food



Efficiency &
Innovation



Letter from the Executive Director



The CRSB continues to make great strides in advancing the beef sustainability conversation in Canada. Continued growth in membership, the completion of the National Beef Sustainability Assessment and Strategy (NBSA), and excellent progress on the development of the Verification Framework were highlights of the year.

Interest in the CRSB continues to grow, shown both by the increase in membership, as well as the positive reception by media. In 2016, we attained 13 new members dispersed across all memberships categories. This demonstrated that the CRSB's model for collaboration across a broad range of stakeholder groups offers new opportunities to effectively address or advance areas of common interest. The cooperation between various stakeholders marks a new chapter for the Canadian beef community and demonstrates a shared commitment to continuous improvement.

The direction to undertake the National Beef Sustainability Assessment and Strategy came out of the very first meeting of the Roundtable. To assess the sustainability of a complex food system such as beef requires expertise from a broad range of experts. The value of the expertise and time contributed by CRSB membership to the National Beef Sustainability Assessment and Strategy cannot be understated. I would like to thank all members of the Roundtable for their assistance in making this project the most comprehensive, robust, and valuable assessment of its kind.

The National Beef Sustainability Strategy will be used in two key ways: 1) to track progress of select key

performance indicators, and 2) to guide the future work of the CRSB and our membership in enhancing sustainability within the Canadian beef industry. The CRSB will be undertaking projects alongside membership to advance the goals outlined in the strategy through the CRSB's third pillar of work, Sustainability Projects. I would also like to encourage membership to extract as much value from the NBSA as possible, for example, in corporate responsibility reporting, guiding investments in future initiatives, and in presentations to stakeholders.

Significant progress on the development of the Verification Framework has been made over the past year. This work is guided by the Verification Committee and Indicator Committee, and has benefited greatly from the McDonald's Pilot Project, as they shared their approach and learnings with the CRSB. Developing and implementing the Framework is an ambitious endeavor of the CRSB, especially within the set timeline of 2017 delivery, but is achievable through the continued support of our partners. Again I must thank the CRSB membership for their tireless commitment in offering their expertise in the development of the Verification Framework.

I look forward to another productive and exciting year with the CRSB as we advance the continuous journey of sustainability improvement.

Respectfully Submitted,

A handwritten signature in dark ink, consisting of a stylized 'F' and 'J' followed by a horizontal line.

Fawn Jackson

Council



CHAIR

Cherie Copithorne-
Barnes



SUPPLY CHAIN STAKEHOLDER - PRODUCER ORGANIZATIONS

from left to right:

Dennis Laycraft, Canadian Cattlemen's Association
Bryan Walton, National Cattle Feeders' Association
James Bradbury, Canada Beef



SUPPLY CHAIN STAKEHOLDER - PROCESSORS

from left to right:

Cameron Bruett,
JBS
Lauren Stone,
Cargill



SUPPLY CHAIN STAKEHOLDER - RETAIL & FOOD SERVICE

from left to right:

Jeff Fitzpatrick-Stilwell, McDonald's
Canada
Chris Tindall, Costco (no photo
available)



ASSOCIATE MEMBER - NGO

from left to right:

Tim Hardman, World
Wildlife Fund
Ian Barnett, Nature
Conservancy of
Canada



ASSOCIATE MEMBER - FOOD & AGRICULTURE BUSINESS

Trevor Maclean,
Scotiabank



MEMBER AT LARGE

Page Stuart,
Alberta Cattle
Feeders'
Association



EX-OFFICIO

Gordon Cove,
Alberta Livestock
and Meat Agency
Julie Dawson,
Agriculture and
Agri-Food Canada

Membership

55 members (as of August 2016)*

Food & Agriculture business



Non-governmental Organizations



Processors



Producer Organizations



Retail and food service



*not all logos available

This year sees the completion of the National Beef Sustainability Assessment and Strategy



Steering Committee Report

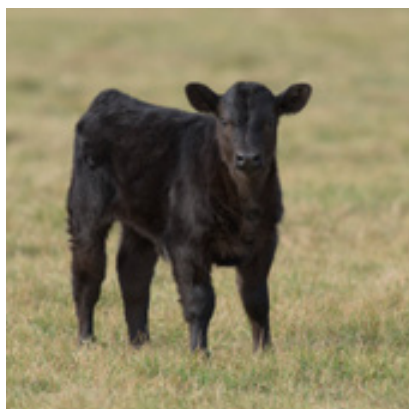
The Steering Committee provides oversight to the National Beef Sustainability Assessment and Strategy. Its primary role is to ensure that the project is relevant, and supports the translation of findings into policy and practice.

The National Beef Sustainability Assessment (NBSA) and Strategy is a forward-thinking study commissioned by the CRSB to benchmark the environmental, social and economic performance of the Canadian beef industry, and to set goals, key performance indicators and action items for the CRSB's future work. It incorporates all aspects of the beef value chain, to allow for the assessment of full value chain sustainability.

The assessment portion of the project is divided into three parts: 1) environmental; 2) social; and 3) economic assessments. The environmental and social assessments were conducted by Deloitte. The economic assessment was conducted by Canfax Research Services.

The Steering Committee kept busy this year reviewing drafts of the reports and ensuring the best available data were being used. Earlier this year, the study was sent to an external third-party panel of experts for review. Deloitte and Canfax Research Services addressed the comments and feedback, in collaboration with the Steering Committee, and provided responses to the panel. The numerous checkpoints helped make the study robust, comprehensive and reflective of the Canadian beef industry.

The preliminary results of the NBSA were presented to the CRSB membership at the semi-annual meeting in April. The results informed the four-hour breakout discussion session that followed, where the membership brainstormed industry goals, key performance indicators and action items. This membership priority setting exercise formed the basis for the National Beef Sustainability Strategy, which will guide the future work of the CRSB, particularly its third pillar, Sustainability Projects.



The following goals were identified for the CRSB through the NBSA and membership priority setting:

Overarching

Goal #1 Build a stronger and more united Canadian beef sustainability community

Environmental

Goal #2 Reduce the greenhouse gas footprint of Canadian beef per unit of product produced (CO₂ eq./kg)

Goal #3 Enhance ecosystem services and biodiversity on lands managed by beef producers

Goal #4 Enhance riparian health and reduce the water footprint of beef production

Goal #5 Reduce post-harvest meat waste

Social

Goal #6 Promote farm safety and responsible working conditions

Goal #7 Promote excellence in animal care

Goal #8 Support the further development, monitoring and dissemination of best practices regarding antimicrobial use

Economic

Goal #9 Increase the financial viability of beef production in Canada

Goal #10 Increase demand for Canadian beef through consumer awareness of sustainable beef production

The NBSA and Strategy will be reviewed approximately every five years, both to evaluate industry's progress over time and to update the work based on newly available data and methods.

The study will be launched at the Global Conference on Sustainable Beef in October.

Committee members: **Thomas Lynch-Staunton**, Chair | **Karen Beauchemin** | **Howard Bekkering** | **Reynold Bergen** | **Clint Dobson** | **Brenna Grant** | **Kerrianne Koehler-Munro** | **Tim McAllister** | **Carrie Selin** | **Rich Smith** | **Lauren Stone** | **Paul Thoroughgood**

CRSB Staff: **Fawn Jackson**



McDonald's Sustainable Beef Pilot Project wraps up and passes torch to CRSB

The CRSB would like to thank McDonald's for sharing the processes and learnings from their Sustainable Beef Pilot Project that was completed in June 2016. The CRSB is utilizing all of the lessons learned in the development of our Verification Framework. Congratulations on a successful pilot!

Summary Facts of the McDonald's Pilot Project

- The pilot conducted 183 on-site verifications of Canadian operations (178 beef cattle operations, 2 packers, 1 patty plant and 2 dairy farms).
- During the pilot timeframe of January 2014 through April 2016, BIXS tracked 8,967 head of cattle through an entirely verified sustainable supply chain (from ranches to backgrounders and/or feedlots through to processing plants).
- Using a mass balance calculation, McDonald's sourced the equivalent of just over 300,000 lbs of Canadian beef trim from entirely sustainable sources during the Pilot
- The pilot generated significant momentum and interest throughout the industry – 33 workshops and presentations reached approximately 3,000 curious

beef community stakeholders directly, with countless industry media reports about our efforts reaching an even broader audience

The Pilot Project's final report is available at:

<http://www.mcdvsb.com/uploads/2/4/9/5/24957525/mcd-final-report.pdf>

Transition from the McDonald's Pilot Project to the CRSB

There are three things to note following the transition:

1. McDonald's is going to maintain 'verified status' with producers who participated in the Pilot Project through desk verifications. Verified producers will be grandfathered into the CRSB verification framework once fully launched.
2. The CRSB will be beta testing its verification framework over the next year. Producers can sign up for the trials on the website (<http://crsb.ca/contact-us/>).
3. Producers can utilize existing tools and programs that address one or more of the five principles of sustainable beef (natural resources; people and the community; animal health and welfare; food; and efficiency and innovation) to prepare for the verification journey once the framework has been completed.



Photos courtesy of McDonald's

Considerable progress being made on the Verification Framework

The CRSB's Verification Framework will provide a tool for producers and processors to demonstrate the sustainability of their operations and support retail and food service companies in their sustainable sourcing efforts. It will also provide credible and transparent messaging for communications with consumers.

Two multi-stakeholder CRSB committees—the Indicator and Verification Committees—are working hard to ensure they develop a framework that is:

- realistic for producers and processors, and is not disruptive to their normal business;
- credible to consumers and will secure their trust;
- scalable for long-term industry adoption across the Canadian beef industry; and
- wherever possible, follows the International Social and Environmental Accreditation and Labelling (ISEAL) Codes and guidelines.

The framework includes aspects such as:

- i. indicators (what is to be measured on the operations);
- ii. a scoring framework (how the indicators are scored);
- iii. an assurance manual (guidelines for audits, auditors, records, etc.);
- iv. chain of custody and claims guidelines; and
- v. a process for establishing equivalency with other tools and programs.

The CRSB is aiming to have the Verification Framework completed by end of 2017.



Indicator Committee report

The Indicator Committee identifies outcome-based sustainability indicators for adoption by the Canadian beef industry that align with the CRSB's mission, vision, principles and mandate.

The first task of the committee was to develop indicators to measure sustainability on beef operations. The committee met on a number of occasions to refine the indicators and ensure they would be realistic for producers and credible to consumers. A total of 24 indicators were drafted in Fall 2015 that fell into five different categories, or what the CRSB refers to as Principles:



The first draft of the indicators was released for a 60-day public consultation, from February to April 2016, following the International Social and Environmental Accreditation and Labelling (ISEAL) Standard-Setting Code. The CRSB received over 100 comments from numerous individuals and organizations. Commenters were asked to answer two questions when they submitted their feedback (see the questions and responses below):

Question 1: Are the indicators comprehensive?

- **Yes – 65%**
- **Neutral – 15%**
- **No – 20%**

Question 2: Do you support the indicators?

- **Yes – 70%**
- **Neutral – 15%**
- **No – 15%**

The responses show that the majority of people felt the indicators were comprehensive, and they were supportive of the indicators. The committee reviewed and addressed the comments, and where appropriate, referred to the Verification Committee for guidance, as many of the comments related to indicator interpretation and measurement.

Principle	Number of indicators in Draft 1
Natural Resources	6
People and the Community	2
Animal Health and Welfare	8
Food	2
Efficiency and Innovation	6
Total	24



The second draft of the indicators has been approved by the committee, and following a round of beta testing in the field, they will be released for the second and final round of public consultation. At the same time, following ISEAL's Standard-Setting Code, the CRSB will post a report online containing its responses to every comment received. A similar process will be followed for the second consultation.

A tentative timeline of the committee's work on the indicators for beef operations is shown below. Indicators for processors will be developed this coming year.



Committee members: **Page Stuart**, Co-Chair | **Tim Hardman**, Co-Chair | **John Arnold** | **Darren Bevens** | **Greg Bowie** | **Ryan Clisdell** | **Jeff Fitzpatrick-Stilwell** | **Jodi Flaig** | **Terry Grajczyk** | **Karen Haugen-Kozyra** | **Jamie Hewitt** | **Jennifer Lambert** | **Harold Martens** | **Perry Rasmuson** | **Craig Pascal** | **Lauren Stone** | **Kevin Teneycke** | **Klaas Vanderveen** | **Darren Vanstone**; *CRSB Staff:* **Monica Hadarits**





Verification Committee report

The Verification Committee's mandate is to reach consensus on the framework the CRSB should adopt to verify the outcomes of the CRSB's indicators (being developed by the Indicator Committee). The CRSB will consider existing tools and programs within the Canadian beef industry so they can be utilized in the verification framework.

The committee's work has been divided into five key areas:

1. Develop a robust scoring framework for the CRSB indicators;
2. Develop an assurance manual;
3. Establish chain of custody guidelines for tracking cattle and beef;
4. Identify claims and communications guidelines associated with the framework; and
5. Determine criteria for full and partial equivalencies with other programs.

The committee met in two in-person workshops in February and June. In the first workshop, the committee drafted the scoring framework for the indicators and reached consensus on many aspects of the assurance guidelines. The scoring framework is ready for beta testing this fall.

The second workshop consisted of presentations from Food and Farm Care on their consumer trust research and the Sustainable Forestry Initiative on the chain of custody and claims models they use. The CRSB membership also presented on the chain of custody pilot projects they have undertaken in the recent past and options for the Canadian beef industry. This was followed by a discussion session on the chain of custody models for the CRSB Verification Framework as well as a brainstorming session for potential claims and communications around sustainable beef.

The CRSB has submitted a proposal to fund this work and will be further developing the framework and beta testing over the next year.



Committee members: **Emily Murray**, Co-Chair | **Ross Ingram**, Co-Chair | **Norine Ambrose** | **Andrea Brocklebank** | **Jim Clark** | **Dr. Lily Edwards-Callaway** | **Jeff Fitzpatrick-Stilwell** | **Dan Ferguson** | **Cecilie Fleming** | **Stirling Fox** | **Betty Green** | **Tim Hardman** | **Cheryl Hazenberg** | **Les Johnston** | **Kerriane Koehler-Munro** | **Dennis Laycraft** | **Trevor MacLean** | **Guy Seguin** | **Rich Smith** | **Andrew Telfer** | **Dr. Mike Siemens** | **John Schooten** | **Klaas Vanderveen** | **Rob Wilson**

Subject matter experts: **Jennifer Lambert** | **Cheryl Schroeder** | **Terry Grajczyk** | **Karen Haugen-Kozyra** | **Greg Peters** | **Leann Saunders** | **Dr. Joyce Van Donkersgoed** | **Jackie Wepruk** | **Deborah Wilson**

CRSB Staff: **Fawn Jackson** and **Monica Hadarits**

The CRSB received lots of attention this year

Communications Committee report

Summary of events and highlights from outreach activities

- **Selected invited presentations**
 - Canadian Business for Social Responsibility, October 2015
 - Canadian Forage and Grasslands Association, October 2015
 - Tiffin Conference, January 2016
 - Nature Conservancy of Canada Staff Conference, January 2016
 - Food Service Canada, February 2016
 - McDonald's Wrap Up, June 2016
 - Agricultural Producers Association of Saskatchewan, July 2016
 - Canadian Beef Industry Conference, August 2016
- **Environmental footprint study, January 11**
 - Collaborated with the Beef Cattle Research Council, University of Manitoba and Agriculture and Agri-Food Canada on the launch of the study
- **Public consultation, February-April**
 - CRSB indicators for primary production: Draft 1
- **Semi-annual meeting, Winnipeg, MB, April 21 & 22**
 - Over 85 participants representing multiple stakeholders in the beef industry
 - Breakout discussions to develop National Beef Sustainability Strategy

- **Antibiotic use webinar, June 30**
 - Hosted our first information-sharing webinar on antibiotic use in the beef industry
- **Sustainability field day, Caledon, ON, July 25**
 - CRSB co-hosted with Beef Farmers of Ontario
 - Toured two beef farms and learned about sustainability on-the-ground
- **Canadian Beef Industry Conference (CBIC), August 9-11**
 - Booth at the conference allowed for outreach and awareness-building of the CRSB's work
 - Held a Council meeting on August 11

Communications statistics

- **Written articles**
 - The CRSB was mentioned in ~155 articles in 2016
- **Twitter ▲ 480 followers**
 - Average of 11,740 impressions every month
- **Website**
 - Average of 600 unique users visited the website every month

Committee Members: **Kim McConnell** (Chair) | **James Bradbury** | **Joyce Parslow** | **Trevor Carlson** | **Jeff Fitzpatrick-Stilwell** | **Ryder Lee**
CRSB Staff: **Monica Hadarits**



Projects

The CRSB took on a project management role in the Species at Risk Partnership on Agricultural Landscapes (SARPAL) project, which aims to protect critical habitat on agricultural land in Alberta. It is a collaborative project among MultiSAR, Cows and Fish, Alberta Beef Producers, the Canadian Cattlemen's Association and the CRSB. The project received \$2.5 million over 5 years, beginning in 2015. The funding will support two programs: MultiSAR and Cows and Fish. MultiSAR delivers species and habitat assessments to producers to help them further understand the biology of their landscape. Cows and Fish provides education, measuring and monitoring around riparian stewardship.



Financials

Report on the summarized financial statements

The Canadian Cattlemen's Association (CCA) supplies secretarial duties, including account management, on behalf of the Canadian Roundtable for Sustainable Beef. Summarized financial information is extracted from the Canadian Cattlemen's Association financial statements. The full report, financial statements and auditors' report may be obtained through written request to the CRSB or the CCA.

Respectfully submitted,

Nancy Ring

Accounting, Canadian Cattlemen's Association

Revenue

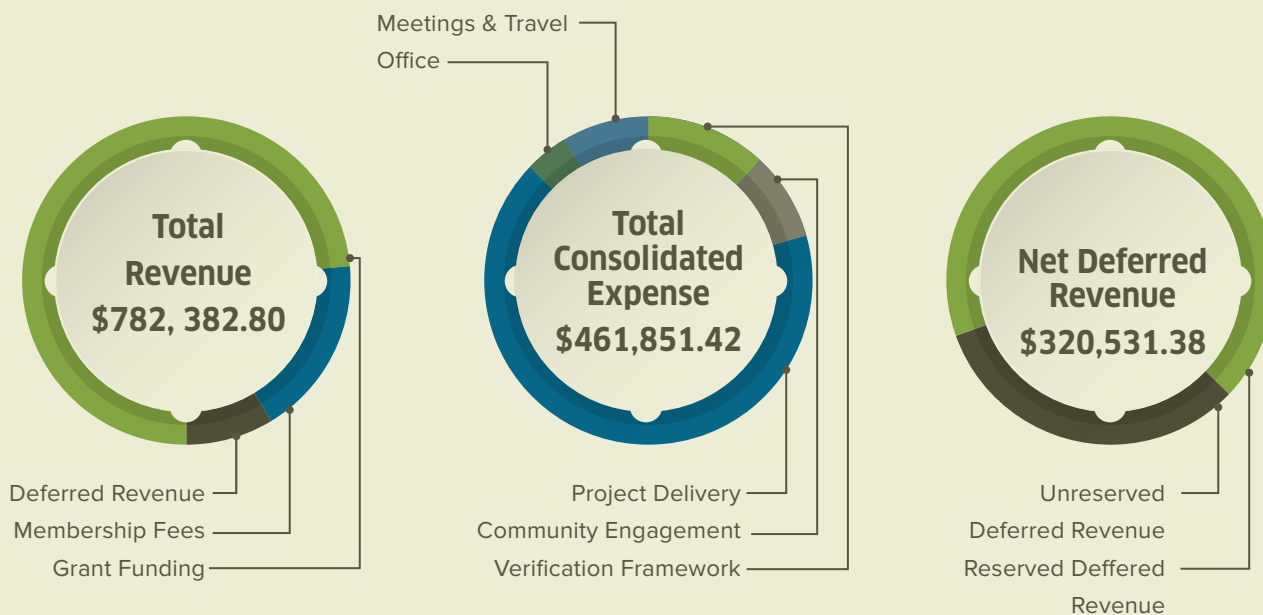
Deferred Revenue (from 2014-2015)	68,282.73
Grant Funding	576,400.00
Membership Fees	137,700.07
Total Revenue	\$782,382.80

Expense

Verification Framework	52,786.18
Community Engagement	42,017.87
Project Delivery	307,971.14
Office	19,326.57
Meetings & Travel	39,749.67
Total Consolidated Expense	461,851.42

Deferrals (into 2016-2017)

Reserved Deferred Revenue	217,284.72
Unreserved Deferred Revenue	103,246.70
Net Deferred Revenue (Deficit)	320,531.38





CANADIAN ROUNDTABLE FOR SUSTAINABLE BEEF

180-6815 8th Street NE

Calgary, AB T2E 7H7

Twitter: @CRSB_beef Phone: 403.275.8558

www.crsb.ca

Funding support provided by

ALMA
Alberta Livestock
and Meat Agency Ltd.