



# Maritime Beef Test Society

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**To: MBTS Consignors**

**From: Management Committee, Maritime Beef Testing Society**

**Date: July 12, 2021**

**RE: 2021-22 Test Station Announcements and Consignment Intent**

Firstly, the MBTS Board would like to thank all consignors who sent bulls to the Test Station for the 2020-21 evaluation and for selling bulls and heifers at the Sale on April 3<sup>rd</sup>. It is your continued support that allows the MBTS to continue the testing program.

Over the last several years, the MBTS has made considerable progress in financial forecasting, recording, and tracking. The MBTS also continues the path forward to improving the financial sustainability of the organization and the Test Station which it operates. The Board has implemented several cost saving measures, as well as looked at additional revenue streams. One of the revenue streams for potential growth is examining the yardage fee charged to all consigned bulls. There was a significant structural change to yardage fee in 2015 and smaller adjustments were made in 2019. The MBTS is committed to reviewing the structure and cost of yardage in a transparent manner.

## New Testing Fee Structure

Based on feedback from consignors and careful consideration of revenues and expenses, the MBTS will be implementing a new testing fee structure for the 2021-22 testing season. The primary goal of the new structure is to accurately and transparently reflect the cost of testing individual animals. This is a significant change in previous billing, as partial yardage was covered in feed costs, meaning that some 'hungry' bulls were compensating for 'less hungry' bulls.

This will be accomplished by setting a single testing fee that will include the following:

Overhead costs	ADG measure	Clipping*
Arrival health protocol	RFI measure	Bull picture*
Adjustment period	Breeding soundness	Bull video*
	Carcass Ultrasound	

\*Moving forward, the MBTS will continue to clip, picture and video all bulls on test, not just sale bulls.

Individual feed and health treatments will be billed at actual cost, significantly reducing feed costs.

Based on the previous group of bulls and average feed consumption, we **estimate** 2021-22 testing fees will be as follows (please note that these are only estimates and final fees will be set when the consignor memo is sent in early September).

# of Bulls	Testing Fee	Feed*	Total Testing Fee
120	\$882.50	\$252.07	\$1,134.57
115	\$914.57	\$252.07	\$1,166.64
110	\$949.55	\$252.07	\$1,201.62
105	\$987.86	\$252.07	\$1,239.93
100	\$1,030.00	\$252.07	\$1,282.07
95	\$1,076.58	\$252.07	\$1,328.65
90	\$1,128.33	\$252.07	\$1,380.41
85	\$1,186.18	\$252.07	\$1,438.25
80	\$1,251.25	\$252.07	\$1,503.32

\*Based on estimate of 6,300 pounds at \$0.0401/pound and would be variable by bull.

## New Development and Testing Programs

The MBTS recognizes that overall activity does not present a lot of opportunities for reducing testing costs for consignors. The primary way to reduce costs for consignors and ensure the financial sustainability of the organization is to offer more programs and services.

The MBTS has developed three new programs to generate revenue to cover fixed operating costs. These programs include the implementation of either a winter bull or heifer development program be launched in the fall of 2021, as well as a summer testing program which may include bulls, and/or heifers, and/or rams to be launched in the summer of 2022. The MBTS recognizes that participation in the programs is speculative at this point, but are confident in delivering both programs.

Based on your feedback, the MBTS will be offering one of the following winter programs.

	<b>Bull Program</b>	<b>Heifer Program</b>
Health Protocol	Same as test bulls	Same as test bulls
Age Range*	September 1 <sup>st</sup> to November 30 <sup>th</sup> and/or March 1 <sup>st</sup> to June 30 <sup>th</sup>	N/A
Minimum Delivery Weight*	800 lbs or 600 lbs	650 lbs
Included Test Measures	Average Daily Gain (ADG) Weight per Day of Age (WDA)	Average Daily Gain (ADG) Weight per Day of Age (WDA)
Optional Test Measures	N/A	Carcass ultrasound Breeding soundness
Delivery Date	With test bulls	With test bulls
Exit Date	Any time (with 48 hours' notice) or Exit date of non-sale bulls	Any time (with 48 hours' notice), or Exit date of non-sale bulls
Sale Eligibility	Not eligible	Eligible
Estimated Costs:		
Testing Fee	TBD- September	TBD- September
On Arrival Health Treatment	\$50	\$30
Testing Cots	\$0	\$35 (ultrasound) \$50 (breeding soundness)

\*To be further determined within the Bull Program parameters

In January 2022, the MBTS will send a similar memo outlining more details about the summer testing programs.

## New MBTS Policies

The MBTS Board approved three new policies, which will be implemented for the 2021-22 test season, including:

### Bull Management Policy

The MBTS is committed to the health and safety of consignors, staff, visitors, and animals while they are at the Maritime Beef Test Station. While bulls are consigned, they are under the care and control of Test Station Management. This means that only designated MTBS staff and contractors are permitted to handle and manage animals, including testing activities, health treatments, and cataloging (preparing for and recording videos and pictures). No visitors (including consignors) can enter the barn area without staff present or written permission from the Station Manager.

Consignors who are deemed to act against this policy will have their animals removed from the test program for the remainder of the current test season. Consignors will remain responsible for all testing costs if animals are removed. The MBTS Management Committee may determine a penalty to a consignor from Test Station programming and sales for a subsequent period of up three years.

### Sale Commission Policy

The MBTS administers a spring breeding stock sale after the completion of the testing program. The sale is an opportunity for consignors to market animals collectively. To cover the costs of administering the sale, the MBTS shall charge all animals that sell a commission of 8.5% of the sale price for bulls and a flat fee of \$125 for heifers. In the event a bull does not sell, the consignor shall be charged the commission on the floor price. In the event a heifer does not sell, the consignor shall be charged \$25, as well as any board related costs while the heifers are at the Station.

**Bull Complaint Policy**

The MBTS is committed to working with buyers and sellers to ensure the Conditions of the Breeding Stock Sale. If either a buyer or seller is not satisfied that the terms and conditions have been met, the MBTS Management Committee will act as a liaison between the two parties.

To protect both the buyer and seller, a non-breeding bull must be reported to the seller and MBTS within six months of the sale date or according to the Breed Association's Code of Ethics. The seller will not provide replacement or credit for physical injury or mismanagement. In the event the bull is a non-satisfactory breeder, the seller will not under any circumstances be responsible for more than the original selling price of the bull.

If the buyer and seller can prove they have worked through the Breed Association's Code of Ethics and were unable to reach a settlement by March 1<sup>st</sup>, the Management Committee may exclude the buyer or seller from participating in the current sale.

***To help us get a better estimate of the number of bulls we can expect this year, we are asking you to email the Test Station ([maritimebeef@eastlink.ca](mailto:maritimebeef@eastlink.ca)) with the breed and number of bulls you are considering sending this year prior to August 20, 2021.***

***We thank you in advance for your understanding and cooperation as we continue to improve our processes and planning for the future of the Test Station and the breeding stock producers in the Maritimes.***

If you have any questions or comments, please don't hesitate to contact Jacy or Brad.

Sincerely,

MBTS Management Committee