

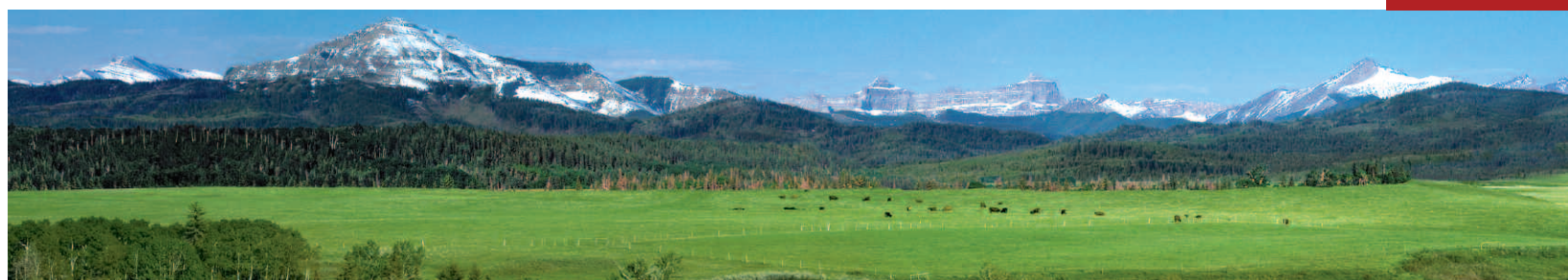
Version: January 2010



PROGRAM HANDBOOK

Canada Gold Beef Enrollment Procedures

Box 237 Picture Butte, Alberta, Canada T0K 1V0
Phone: 403.732.5918
Fax: 403.732.5990
Email: info@canadagoldbeef.ca
www.canadagoldbeef.ca



The Canada Gold Beef Program Overview

All cow/calf producers, backgrounders, and feedlots are invited to participate in the Canada Gold Beef value chain.

To become eligible, producers are asked to:

- Agree to meet the (audited) production protocols as defined in this CGB Program Handbook for Beef Producers.
- Sign a Master Participation Contract and purchase Participation Units:
 - One participation unit allows the owner to market one animal through CGB and receive any direct savings and share in royalties arranged by CGB.
 - The price for each participation unit is \$13.00 per animal, based on a 1,300 lb weight at harvest. Therefore, the participation unit is divided as follows:
 - Cow/calf Producer: \$6.50 per unit
 - Finishing Feedlot Producer: \$6.50 per unit (GST added to the above)
- Share information with other members of the value chain.
 - Information of a confidential nature will be shared vertically between CGB buyers and sellers and generic information will be consolidated by CGB to set benchmarks for measurement and improvement, which will be shared with all CGB participants.
 - Information sharing is a critical component to the success of all value chains. You can't manage what you can't measure.
- Initial benefits to the unit holders will be:
 - Share of any savings, royalties, premiums, and discounts
 - Competitive pricing
 - Information on your cattle's performance
 - Achieve government requirements for age and source verification
 - Direct involvement with your supply chain partners

How to Become a Canada Gold Beef Participant

1. Interested producers are encouraged to contact the CGB office to obtain program information, with no obligation to participate. Please review all information provided completely as it contains important information about the program requirements and protocols.
2. Complete the enclosed CGB Application Form and submit it to the CGB office.
3. CGB staff will set up a time to review your application and finalize your Participation Agreement.
4. Now contact your herd veterinarian so that jointly you can implement the CGB program. When ready, both parties will sign and submit the Self Declaration form to indicate you have implemented all of the CGB Program Requirements.

Note: If your veterinarian has not completed the CGB vet training course and does not meet CGB vet enrollment requirements, please have them visit our website or contact the CGB office on how to become a registered veterinarian for CGB. Eligible veterinarians must 1) be licensed to practice veterinary medicine in the province you reside, 2) be accredited by CFIA for beef exports, and 3) have successfully passed the CGB veterinary exam.

The enrollment procedure is complete and you can now supply cattle to Canada Gold Beef.

Within a few days of completing your registration, our staff will provide the information you require to participate in Canada Gold Beef pricing, supply, and marketing processes.

For more information on CGB program requirements, please call Tess Pitchko at 403-732-5918, email tpitchko@canadagoldbeef.ca.

Canada Gold Beef Inc.

The Canada Gold Beef Program for Beef Cattle Producers...

Beef cattle producers who are interested in participating in the Canada Gold Beef Program should carefully consider the following criteria required for participation:

- All producers that wish to participate in the CGB program will be required to meet the CGB program requirements contained herein. In order to compete in a global marketplace, the CGB production requirements have been purposefully designed to meet or exceed current international requirements as they relate to cattle care, beef safety and quality, and environmental sustainability.
- Prior to being able to purchase or sell CGB cattle, Participants are required to demonstrate their ability to implement CGB program requirements. Your veterinarian will review your management practices and verify that you are implementing CGB program requirements at initial enrollment and on an annual basis. All producers who participate in the Canada Gold Beef program will also be subject to random audits by CGB to show conformance to program requirements.
- All Participants (either individuals or companies) will be asked to sign a Participation Agreement and pay a participation fee for each head of cattle (unit) contracted to the CGB program. The Participation Agreement secures a consistent supply of cattle to the program, which is essential to developing further value-chain partnerships with processors etc. CGB profits are shared back with Participants based on the number of units purchased.
- CGB Cow/Calf Participants will be required to sell their calves to, or retain ownership in their calves at, recognized CGB feedlots in order to ensure delivery through the value chain. If calves are sold outside the CGB value chain, those animals will be removed from the CGB program and are ineligible for any premiums, royalties or profit share. Considerations will be given to retained ownership if the producer can meet all of the program protocols.
- All CGB feedlots will be required to sell their finished cattle to CGB recognized processors (packers) in order that finished cattle complete the program. If cattle are sold outside the CGB value chain, those animals will be removed from the CGB program and are ineligible for any premiums, royalties or profit share.
- A minimum commitment of 50 animals (+/-) per producer is required to enroll in the CGB program. Animals must meet CGB's requirements. Currently CGB is looking for British or British cross breeds.
- Other "brands" will be developed under the CGB program over time (e.g. EU NHTC (non hormone treated cattle)). If you are interested in learning more about our various specific branded beef programs, as a producer or veterinarian, contact the CGB office to get information on the protocols related to specific brands of CGB cattle.
- All Participants will be required to submit specified production and carcass information to CGB contractual partners (e.g. CGB cow/calf producer sends vaccination history on calves sold to CGB feedlot, feedlot sends back performance/health data to CGB cow/calf producer, CGB sends back carcass data to feedlots and cow/calf producers). Aggregate information will be used to benchmark CGB cattle performance and shared with CGB Participants.

To enroll....

To indicate your interest in the Canada Gold Beef Program, follow the enrollment instructions detailed on our web site at www.canadagoldbeef.ca or call 1.403.732.5918 or email info@canadagoldbeef.ca

General Information for All Producers

Enrollment Instructions:

1. Review the enclosed CGB program requirements and submit the enclosed application. Contact CGB if you have questions.
2. Complete the CGB Participant Agreement.
3. Contact your herd veterinarian to help you implement the CGB program requirements as described in this handbook. Your veterinarian must contact CGB to receive training and resource materials and they must write and pass a CGB exam before they are eligible to help you implement the program. This is part of the verification program for CGB.
4. Cow-calf producers are required to age-verify their calves with CCIA prior to the sale of cattle to a CGB feedlot and they must provide copies of original signed CCIA birth certificates to the CGB feedlot at the time of sale of their calves to the CGB feedlot.
5. Cow-calf operations and feedlots are required to register their premises with CCIA for traceability purposes prior to the sale or receipt of any CGB cattle.
6. After you have implemented all of the CGB program requirements, complete the CGB Self-Declaration Document, a copy of which is provided in this handbook, and submit it to CGB. Ensure that both you and your veterinarian have signed the form. Then you will be eligible to purchase and sell cattle within CGB. Random audits will be conducted by CGB to verify conformance with program requirements.
7. Forms for transferring CGB program data are provided in this handbook. Over time, electronic data transfer opportunities will be available. Examples of other data capture forms for on-farm use are also included herein.

Process Verification Points for all Canada Gold Beef Value Chain Participants are:

1. **Source**
 - All animals are identified by a CCIA eartag before they leave the herd of origin.
 - All cattle are born, raised and fed in Canada.
2. **Age**
 - Calf birth dates are linked to CCIA RFID tags and submitted to CCIA's database
 - Birth dates can be entered individually by calf (actual birth date for each calf) OR
 - Birth dates can be entered as groups, with a maximum group range of 90 days (calving period) for CGB cattle
3. **Traceability**
 - All cattle premises (i.e. home quarter) occupied by Canada Gold Beef animals, including farms, ranches, back-grounding operations, feedlots, and processors are registered with CCIA.
 - Canada Gold Beef data is linked to the CCIA RFID tags from the herd of origin.
 - Canada Gold Beef animal movements amongst different premises, when triggered by change of ownership or significant change of top management personnel (e.g. ranch calves to custom feedlot) are recorded by CCIA eartag and based on "move in" (e.g. calves leaving the ranch are read at feedlot entry). This information is forwarded to CGB and CCIA.

Additional information about cow/calf producers:

1. Eligible producers may be encouraged by the market place to alter calving dates to ensure a consistent supply of cattle to this value chain e.g. spring and fall calving herds.
2. Cow/calf producers will be required to share specified program production information to specified contractual partners (e.g. feedlots, processors).
3. Eligible producers will have a few options when moving cattle along the Canada Gold Beef value chain:
 - Ship calves directly to Canada Gold Beef feedlots and retain ownership of these calves through to harvest. Contact Canada Gold Beef for more information if interested in this option.
 - Ship calves directly to Canada Gold Beef feedlots and share ownership of calves with other investors through to harvest.
 - Ship calves directly to Canada Gold Beef feedlots and transfer 100% of ownership to other investors.

Additional information about feedlot operators:

1. Eligible producers will be encouraged to work together with their Canada Gold Beef cow-calf producers on health and feeding protocols to maximize health and performance of cattle and reduce production costs.
2. Feedlot producers will be required to share specified program production information to specified contractual partners (e.g. cow/calf producers, processors).
3. Canada Gold Beef will direct cow/calf producers who wish to retain ownership to eligible Canada Gold Beef feedlots.
4. Eligible feedlots will co-ordinate with Canada Gold Beef on harvest delivery dates for Canada Gold Beef cattle at eligible Canada Gold Beef processing plants.