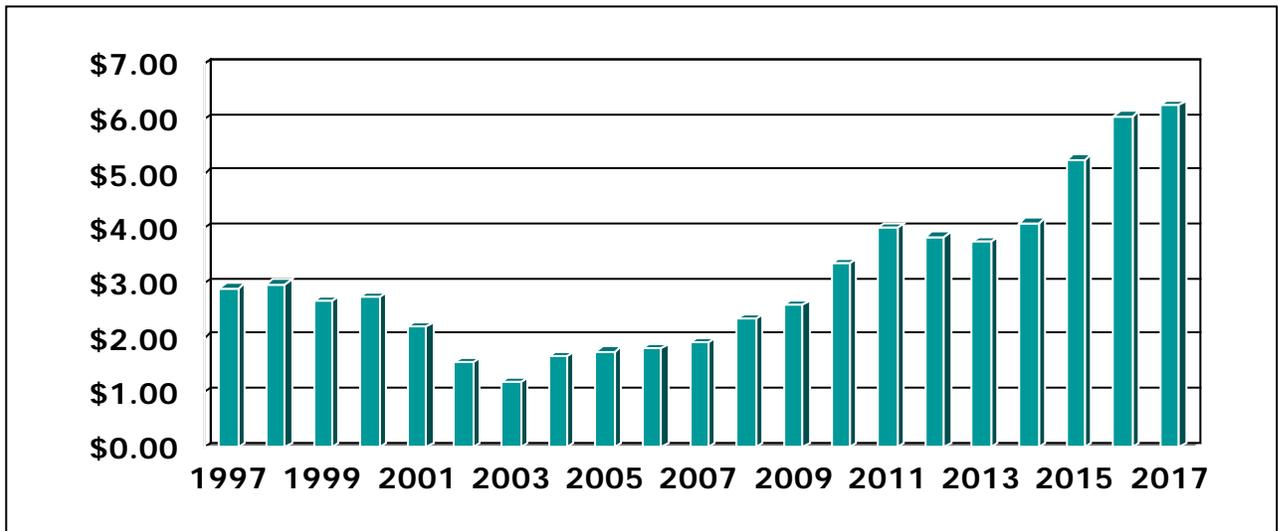


The Bison Industry Today - Terry Kremeniuk, Executive Director, Canadian Bison Association

Strong consumer demand domestically and globally maintained prices at or above the highs reached in 2016. Prices in the United States remained stable with Canadian prices showing some volatility with currency fluctuations. For Canadian producers' optimism was reinforced by the September 21st, 2017 implementation of the Comprehensive Economic Trade Agreement between Canada and the European Union. The trade agreement should have a positive long-term impact on prices and the industry in North America. It will take some time for exporters and importers to adjust to the parameters of the agreement. The Potential termination of the North American Free Trade Agreement creates a level of uncertainty for the industry while the potential of other agreements such as the Trans Pacific Partnership could create additional industry opportunities.

Annual Average Prices of Grade "A" Slaughter Bulls



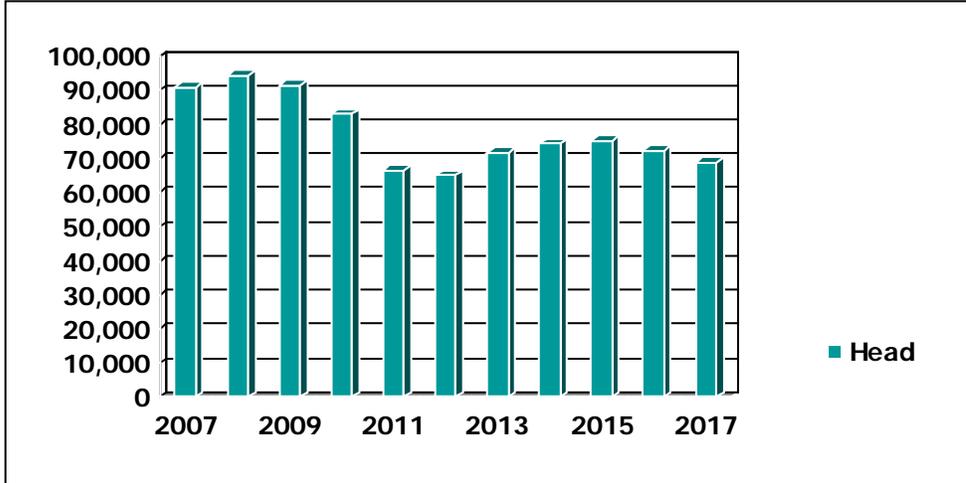
Industry optimism has created a new level of interest in the bison production. Not only has there been expansion amongst present producers, there has been a high level of interest by people wanting to enter the industry. Access to land appears to be the greatest impediment for some interested in entering the industry. Producers who have held back heifers to take advantage of industry growth should have several options to market their breeding stock.

Bison Harvested

As indicated in the following chart, the total North American bison harvest after reaching a high of over 94,000 animals in 2008 declined to about 65,000 head in

2011 and 2012 and increased to about 75,000 head in each of 2014 and 2015. In 2016 and 2017, the total North American harvest declined to about 69,000 head..

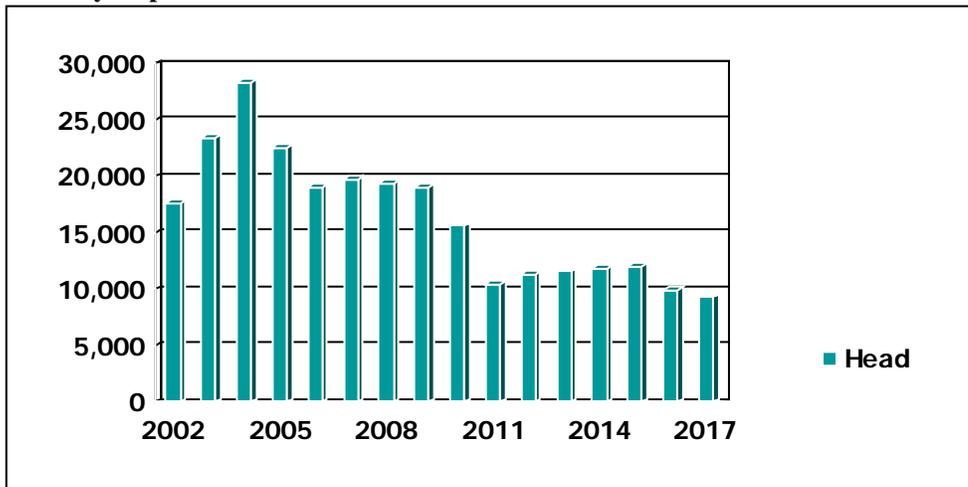
Total Bison Harvested – United States and Canada



Federally Inspected Bison Harvested in Canada Reaches Lowest Level Since 2002

Federally inspected bison harvested in Canada in 2017 reached its lowest level since 2002 at 9,311 head. This is substantially lower than the 28,276 head harvested in 2004. The lower harvesting levels over the past two years can be attributed to the strong US demand for live animals in 2015 combined with recent producer retention of breeding stock. The estimated 1,550 bison harvested in 2017 at provincially inspected plants is also at its lowest level since 2002.

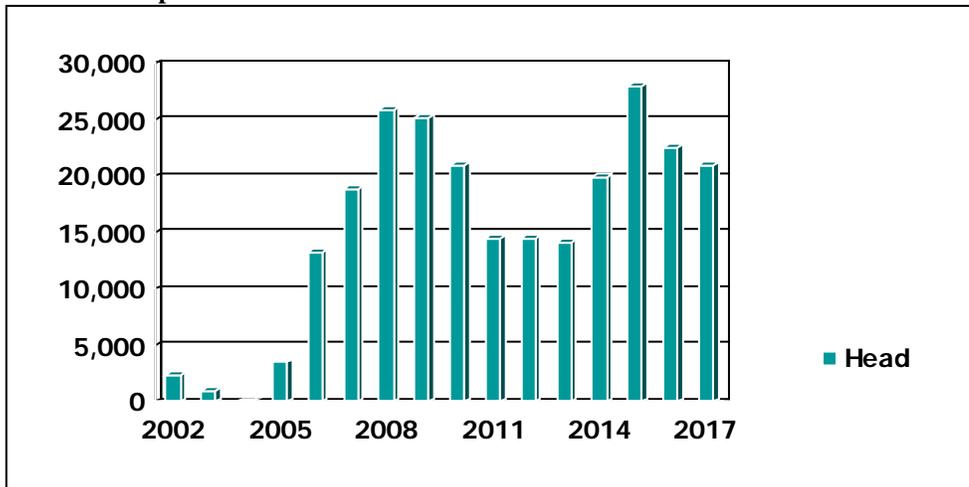
Federally Inspected Bison Harvested in Canada



Canadian Bison Exports

Live bison exports to the United States are an integral part of the North American bison economy. As the chart below indicates, live exports first peaked in 2008. The increase in Canadian herds as a consequence of BSE were being liquidated as US import restrictions for live animals were being removed. Exports then began to decline because of reduced inventories and a strong Canadian dollar. In 2015, Canada experienced the highest exports in history at 26,162 head. These exports were driven by strong U.S. demand and the strong U.S. dollar. In 2017 exports declined to an estimated 16,400 head. This export reduction was due in part to the exceptionally high export levels in 2015, herd building and higher than normal levels of heifer retention.

Live bison Exports to the U.S.



Gender and Class of Animals Exported and Slaughtered

Canadian industry changes are reflected in the type of animals exported and processed. From 2008 – 2017, 68,331 males and 64,112 females were exported for harvesting. Data on feeder males and females suggest that about 11,500 females were retained for the domestic market over this period. This suggests some replacement and growth in female numbers.

Distribution of Bison Exports: 2008 – 2017

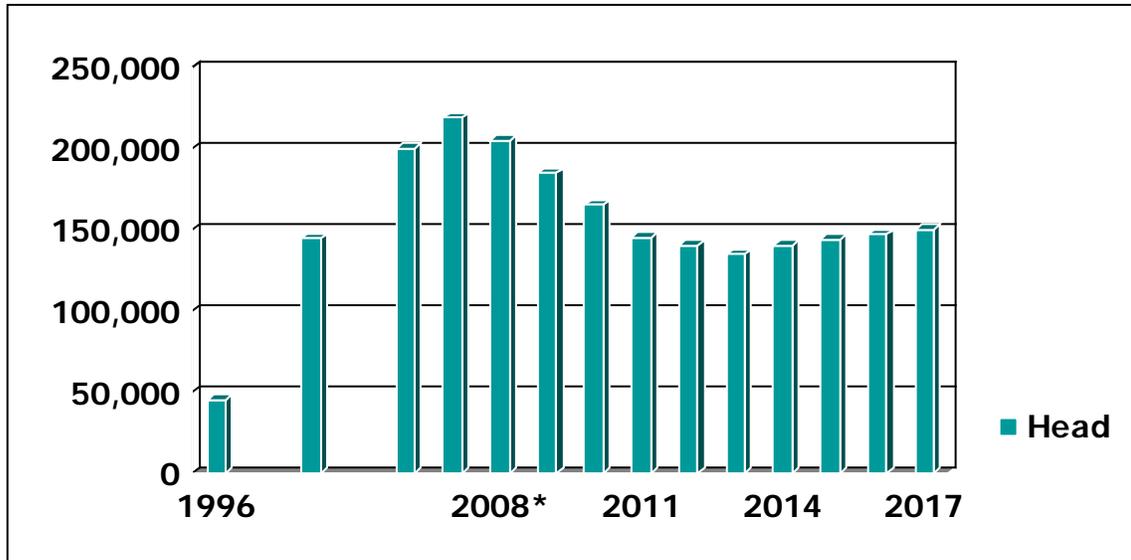
Type	Slaughter Males	Slaughter Females	Feeder Males	Feeder Females
2008-2017	68,331	64,112	38,011	26,472

Bison Numbers in Canada

Harvesting rates, live bison exports, and breeding stock retention affect Canadian bison numbers. After having declined from about 200,000 head in

2007 to about 135,000 head in 2013, there are signs of strengthening numbers to just over 150,000 in January 2018.

Estimated Canadian Bison Numbers



Industry Interest

The wave of optimism in the industry has attracted the attention of many. There are indications that present operations are expanding and new production units are being established. Requests for information about the bison industry and the requirements for entry have been higher than they have been over the past 15 years.

In addition to requests for information from potential producers, financial institutions are requesting industry information. This suggests that they also see potential lending opportunities in the industry.

Synthesis

The past year has been one of strong consumer demand. It is strong consumer demand combined with a passion for the animal that will grow the industry. In 2017 more stable prices and profitability have driven increased industry interest and investment as is reflected through current producer expansion, new entrants and those requesting information about the industry. Several producers have held back breeding stock to support the planned industry growth. Breeding livestock prices have been strong. Industry equipment suppliers have indicated brisk sales. Financial institutions continue to seek moiré information about the

industry on which to evaluate investment proposals – all good signs for industry growth. 2018 should be a good year for bison producers.