

**River Runs Deep:  
The Impact of an Equine  
Slaughterhouse in Qu'Appelle Valley  
The "River that Calls" is Screaming for Help**

**A Report for  
Carry the Kettle First Nations  
by the  
Canadian Horse Defence Coalition  
on Equine Slaughter  
at  
Natural Valley Farms/Natural Meat  
Company  
Horse Slaughterhouse  
Neudorf, Saskatchewan**

**November, 2009**

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## Executive Summary

*This report exposes numerous systemic problems with Natural Valley Farms/Natural Meat Company (NVF) horse slaughterhouse in Neudorf, Saskatchewan.*

*We feel that your community has not been provided with full disclosure of important information on the facility that it is being asked to purchase. The intention of this report is to provide you with factual evidence we have collected on the lasting environmental devastation you have been asked to take on, as well as statements made by one of the slaughterhouse's investors and directors during a radio interview on July 31, 2009 where he stated: "horse slaughter never brought a single minute of profitability to the company." We fear that you are being given the same empty promises these investors were given.*

*Also included is a letter from the RCMP which states that violations did occur at the facility but were not being pursued, as the facility has been closed. Will those violations now fall to you should you choose to purchase the facility?*

*Most importantly, we must point out the greatest omission made to you by Velda and Mr. Van-Damme. New European Union regulations have just been passed which will require that all imported slaughter-bound horses be held for six months, in an attempt to rid their bodies of the pharmaceuticals that they are normally given throughout their lives. Only horses that arrive with thorough medical records can bypass this six month quarantine. There is no current system in place in Canada for horses that tracks these medical records. The vast majority of horses arrive from auctions where horses' identities are lost and none carry medical records. Most horses will simply not be useable, as they have been given phenylbutazone, a known carcinogen, which is banned for use for meat animals, and there is no way of knowing which horses have received this common anti-inflammatory drug. Horses are also commonly given de-worming agents, which again are prohibited for use in meat animals. There will be no way of knowing which horses were administered these drugs, so they will all have to be held for a minimum of six months before going to slaughter.*

*The cost burden of feeding horses for six months is enormous. For 750 horses and the current shortage of hay and therefore high prices averaging \$6/bale and each horse consuming approximately 10 bales per month, you can expect ongoing monthly feed costs of \$45,000. This is an enormous expense that has conveniently not been conveyed to you.*

*Our organization's focus first and foremost is the welfare of the horses and how it was so horribly compromised at NVF. Our findings became the focus of a CBC National exposé called "[No Country for Horses](#)" which garnered an incredible viewer response with nearly all in support of an immediate halt to the killing of horses at NVF. This fits with Canadian views as an Ipsos-Reid poll taken in 2004, long before the cruelties of the industry were even exposed, revealed that 2/3 of Canadians do not believe in the slaughter of Canadian horses for human consumption. Footage we collected at the facility was reviewed by Dr. Nicholas Dodman, Section Head and Program Director of the Animal Behaviour Department of Clinical Sciences at Tufts University's Cummings' School of Veterinary Medicine. Dr. Dodman concluded that up to 30% of the horses at NVF were not rendered unconscious before butchering and literally died piece by piece. This is representative of the horse slaughter industry as the stunning of horses is incredibly difficult. Horses are flight animals, and are quicker and more mobile than cattle. They have long, muscular necks, are very alert, so typically move their heads quickly, becoming a moving target. Their brains are small compared to the size of their heads, so an accurate hit is very*

*difficult to achieve. Add to this the improper, badly-converted cattle-stun box, and the process is all but impossible.*

*Our organization recorded violations at NVF in all of the following Regulations. At thousands of dollars per incident, the total cost of these penalties would be in the millions:*

- *US Commercial Transportation of Equines to Slaughter Letter of Intent with Canada*
- *Federal Health of Animals Act (Sick, Pregnant and Unfit Animals; Prohibition of Overcrowding; Segregation; and Protection of Animals from Injury or Sickness)*
- *Meat Inspection Act*
- *Livestock Inspection and Transportation Regulations, Province of Saskatchewan*

*As the facility has no plans to alter its killing equipment or practices, you will be buying this legacy of cruelty, environmental disaster and economic failure.*

*Please, consider your decision carefully and say “No” to Velda and Mr. VanDamme.*

*Sincerely,  
Canadian Horse Defence Coalition*





## Area of Concern: Money-Losing Venture

This Op Ed was published in *The Western Producer* in April, 2009.

### [Meat plant: A cautionary tale – Opinion by Henry Skjerven](#)

***Skjerven was involved in Natural Valley Farms Inc. and is still listed as a member of its board of directors. Since September 2008, a court-appointed receiver has had all authority for the company. Skjerven has written this account of Natural Valley's rise and fall as a cautionary tale for those who embark on future projects.***

The road to hell is paved with good intentions. In the case of Natural Valley Farms Inc. of Wolseley, Sask., it was paved with the faith and cash of shareholders, creditors and employees. The destination was the same.

In June 2004, I was part of the post BSE scramble to build beef slaughter capacity. Setting up a company with money invested by family and friends, we did a feasibility study on what needed to be built and how it could be done. It was an exciting time with more than 200 different groups across Canada exploring the idea.

BSE caused border closures with the United States and other countries. That created an artificial bubble of surplus cattle and many thought that there was a gold mine for the taking.

We learned quickly, from our own work and a pre-feasibility study conducted for the Saskatchewan government, that however you sliced it, building one plant or 10, the provincial potential was for three small plants or one big one. Small looked like the way to go, with a 50,000 head annual single shift capacity.

More than 20 groups were considering plants on the Prairies, but not a single group that we spoke to was interested in teaming up to build what reality and economics dictated.

Then we met with Natural Valley Farms Inc. in January 2005. They told us exactly what we wanted to hear. They wanted partners. Their plan was our plan. We believed everything they said.

We got on the bandwagon, with our skills and professional abilities, our cash and enthusiasm, focusing all our efforts on their project. We did this on the spoken promise that our plant and our project would get complete support when the time was right.

Perhaps the first warning flag should have been that we couldn't get an agreement about our 'partnership' in writing.

Nor could we get on the agenda of a board meeting to discuss our project and explain how it would be a link in the Natural Valley value chain.

We were told to raise \$1 million as the price of admission, plus our own time, money and investors. Natural Valley was rolling and needed to raise cash to keep the dream alive. That song didn't change until the day I stood in a Regina courtroom in 2008 and the judge appointed a receiver.

Warning flags were waving back in spring 2005. Natural Valley said we would get a 15 percent commission on any shares we sold. So our company, YellowHead Natural Beef Ltd., began selling NVF shares as an investment in our project.

Then we were told that it couldn't be done because of securities and investment laws. It was an obvious warning, but at the speed we were all going, those warnings were a blur.

So we bought in. We believed in the Natural Valley founders, believed in gate to plate, producer-owned natural beef and in third and fourth level processing. My family had been in the meat and custom kill business for a long time and there was money to be made. It sounded so good.

On the surface, it was. There was a market and we knew that. Cattle prices had tanked, BSE ruled and governments and the Canadian Food Inspection Agency didn't have a clear plan for dealing with it.

They weren't the only ones. Natural Valley didn't either, and I should have known better.

I won't say that Natural Valley's lack of a formal written board/management plan was the single root cause of failure, but lack of planning and control created the estimated \$42 million loss, plus collateral damage. It was a major element in the company's demise.

When I was elected to the board in June 2007, Natural Valley Farms still had no written board policies or management action plan. There wasn't a mission statement or a communications strategy.

Our lack of these basic management system elements proved deadly to our efforts at relationship building.

Most notable was our failure with the CFIA. Natural Valley used precious resources, time, money and people in challenging CFIA staff and regulations. The final result? CFIA removed the company's operating licence in early 2009.

Natural Valley Farms died the day the decision makers chose to kill horses. It took months to implement and hundreds of thousands of dollars of cattle producer's investment to make that change.

But horse slaughter never brought a single minute of profitability to the company.

The NVF system couldn't pay producers until it was paid for the processed meat. That meant a wait for producers of many months, or as it turned out for most, never. We were in dire financial trouble in June 2005. The financial mess never got better.

We lost sight of the original scope of the project. We built a state of the art beef traceability system when no one required it yet. We started composting plant waste before regulation was in place to guide us.

We got into trucking, frozen food storage, off-shore Korean investment, a feedlot, waste water management, environmental monitoring and many other things.

Natural Valley failed, as did all parts of its value chain. And yes, hindsight can clearly define the causes of that failure.

We wanted to change a big industry. Why? Control. Producers and entrepreneurs are fiercely independent. That attitude can blind us to reality. In this day and age, many fail to recognize the financial and industrial infrastructure that binds us all into national and global systems.

We wanted more for our beef. We saw the price at the butcher's counter but didn't understand the costs involved to get it there. We didn't stop and restructure when we saw it wasn't working. We pled ignorance but didn't listen to those who tried to teach us.

The final straw? The banks could wait no more. Our promises of profits never materialized.

Bottom Line? Natural Valley Farms failed because people can be led when others appeal to their dreams and desires.

**The lesson? Blind belief and trust lead straight off the cliff's edge every single time.**

## **Area of Concern: Environmental Destruction**

### Illegal Blood Dumping

In September, 2008 footage was taken at NVF of the illegal dumping of tanker trucks full of raw horse blood onto grain fields that lead directly into the Qu'Appelle River. Derived from its original Cree name, the Qu'Appelle River literally means "The River That Calls", referring to the cries of legendary spirits said to haunt its waters. Those figurative restless spirits may well be the thousands of horses killed inhumanely at the plant, whose blood saturates the beautiful Qu'Appelle Valley and flows into the Qu'Appelle River.

The Qu'Appelle River is a tributary of the Assiniboine River; a river whose waters provide essential habitat for over 40 species of fish, irrigation for crops and water for food processing facilities. The cities of Portage la Prairie and Brandon, Manitoba, rely on its waters as a source of raw drinking water. Ultimately this water travels through Lake Winnipeg and ends in Hudson Bay, crossing the provinces of Saskatchewan, Manitoba, Ontario and Quebec.

During a radio interview, NVF investor and director Henry Skjerven stated: "We did some really dumb-ass stuff – dumping blood right on the fields". He also admitted that: "16 million gallons of raw horse blood was left in a retaining pond upstream from the Qu'Appelle River".

It is surmised that the reason the facility began dumping the blood is the same as when they began having environmental violation notices and fines in the US when it was running the horse slaughterhouse Cavel in De Kalb, Illinois. This facility was also shut down and is what initiated Velda's move to Canada.

The "bug tank" which contains bacteria to break down the horses' blood became ineffective as the blood was heavy with antibiotics, which killed off the bacteria. Hauling the blood away in tanker trucks is incredibly expensive. Thus the plant felt economically forced to illegally dump the blood.

### The Rendering Pit

The Rendering Pit where the remains of the butchered horses (their heads, limbs, bones and internal organs) is full beyond capacity and can no longer be used. The ground is so saturated that it shifts when walked on. The stench can still be smelled up to two kilometers away.

To properly comply with provincial regulations, massive quantities of expensive straw will be required to cover the piles but because horse slaughter has much more waste than any other animal slaughter, it became impossible for NVF to keep up with covering the piles. Instead, the straw was abandoned and piles of rotting flesh, bones and organs was simply left exposed – which is illegal and also comes with a hefty fine.

Our Central Region Director, who conducted the investigations at NVF, Twyla Francois, would be happy to take anyone wishing to go to the rendering pit. Below are directions if you would like to go on your own.

### Directions to the Rendering Pit

1. Turning towards Neudorf off TransCanada Hwy:

Turn at gravel road labelled "Neudorf" and continue down this road. Take first left after Natural Valley Farms (the turn is up a slope). Follow this road. Turn on first left and you're at the rendering pit.

2. Leaving from Neudorf

Heading West out of Neudorf, take Mile 9 Road South. Follow this road for some time until you come up to a sloped turn off to your right. This turn off runs parallel to the road (this turn off is the last right turn off before Natural Valley Farms), take it. Follow this road. You will soon see the rendering pit.



PHOTOS: Environmental Destruction







Illegal dumping of horse blood  
Natural Meat Company  
Neudorf, SK  
September 22, 2008



## Area of Concern: European Union Regulations

The European Commission's Deputy Director-General of the Directorate-General for Health and Consumer Protection, Paola Testori Coggi, communicated to all countries which it receives horse meat from that as of April 2010 it will require identification of horses intended for food production, including a prohibition on the use of anabolic steroids, phenylbutazone – which is given to nearly all race horses and backyard horses and other prohibited drugs, PLUS a minimum of six-months withdrawal period for veterinary medicinal products and commonly used drugs such as dewormers to clear the horses' systems. The letter stipulated that these requirements will be mandatory for all countries supplying horse meat to the European Union. To see the full letter, go to *Sources* at the end of this report.

This essentially means that whoever takes over management of NVF will be responsible for feeding and caring for some 750 horses every day for a minimum of six months. The cost of this with current hay prices will average \$45,000 /month but this will be an ongoing, continual cost, not a one-time investment. And many horses will simply not be usable. However this will only be determined AFTER the money has been spent on feeding them, slaughtering them and shipping the meat to Europe.

Also, disease outbreaks such as strangles and shipping fever will be inevitable in these quarantine feedlots. Left untreated, many horses may die before they can be slaughtered. And treating the horses would restart their quarantine time, accruing increased costs.

During his radio interview, NVF investor and director Henry Skjerven expressed their fears over shipping what they knew to be tainted and dangerous meat: “Unfortunately, North America, US and Canada, were never geared for raising horses for food consumption. The system as it stood when we were killing horses was in no way, shape or form, safe, in my opinion.” Skjerven went on to say, “We did not know where those horses were coming from, what might be in them or what they were treated with. I was always in fear - I think that it was very valid - that we were going to send something across there [to the EU] and we were simply going to get our doors locked after we had some kind of issue with the product.”

This is a very real concern. What if the meat from even one horse tainted with dangerous drug residues is sent to Europe and is not caught? What will be the repercussions and liabilities on Carry the Kettle First Nation should someone who consumes it fall deathly ill? The listeria outbreak in Canada nearly bankrupt Maple Leaf Foods but they have a multi-million dollar empire, brand identity and a good reputation. NVF will not have that as you will be starting under a dark cloud of controversy, cruelty and environmental disaster. It's a very dangerous game to enter into.





## **Area of Concern: Slaughter Process and Slaughter Conditions**

The horses killed at NVF are sourced as “loose horses” meaning they come from livestock auctions. Most were ex-pets, ex-race horses, ex-pleasure riding horses and ex-working horses. As such, they were not uniform and many were brought to the auction because they were sick, diseased or injured.

Condition of the horses was shockingly poor. During our investigation, we saw cancer eye, strangles, facial tumours, neck tumours, missing eyes, head injuries, body lacerations, bleeding and weeping eyes, and many other conditions which should have made them unfit for human consumption.

According to the Canadian Food Inspection Agency's (CFIA) Compromised Animals Policy of 2004, none of these animals should have been loaded and transported to the slaughterhouse.

The horses arrived late at night and were unloaded without the oversight of a CFIA inspector, which is required by the *US Commercial Transportation of Equines to Slaughter Act*. The Act states that a fine of \$5,000 is to be levied PER HORSE unloaded without the supervision of a CFIA inspector to ensure a humane unloading. If killing 750 horses per week, the fines for illegal unloading alone would total \$3,750,000!

The horses were also loaded illegally onto double-decker trailers, which was in large part responsible for the plant's high dead-on-arrival rates. This fine for this violation is again \$5,000 per horse. Also, the horses were not separated correctly, nor did they have their metal shoes removed, meaning any horses that went down during transport were kicked and trampled to death.

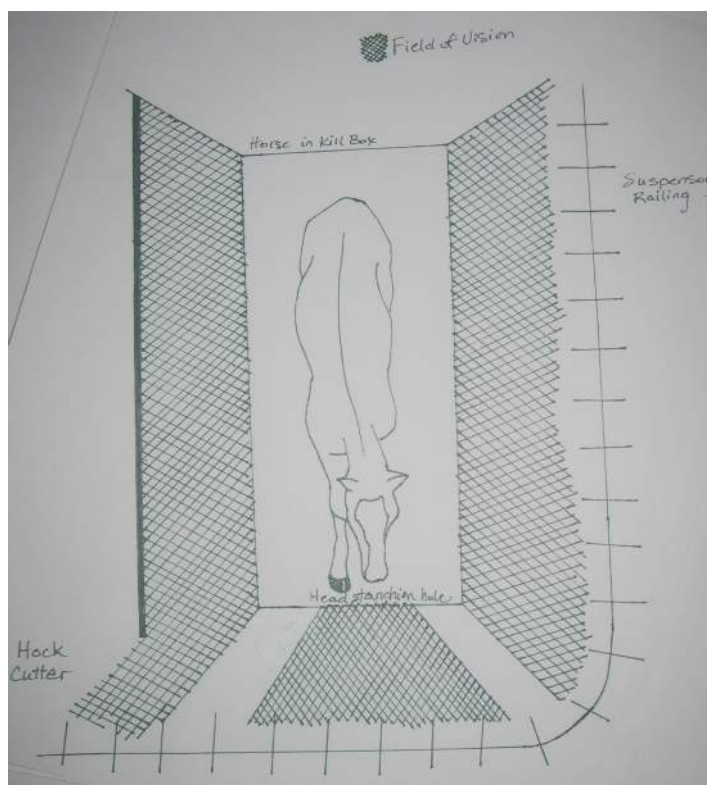
The slaughter process itself was cruel and not overseen by the CFIA veterinarian, as required. Wholly 30% of the horses were not rendered unconscious, yet were pushed through the butchering line none-the-less. It also appears that pregnant mares may have been butchered, their still-living foals discarded in the rendering pit (we discovered a newborn foal in the rendering pit in February, 2008 and have heard reports from ex-workers of the facility that they were forced to continue butchering mares even after it was determined she was pregnant).

The majority of the horses were so frightened in the kill pen that they trembled to the point of losing their footing and fell. Almost all flinched away from the captive bolt pistol and required a cane be placed under their chins in an attempt to steady their heads. The bloody floor of the kill pen did not provide any traction and many of the horses wore metal horseshoes, resulting in a very slippery surface for them to stand on. Many shook and trembled so violently it almost appeared as though the footage was on fast forward. Some of the horses pawed to get out of the kill pen. Many frantically searched for an escape, the terror clear in their eyes and bodies. The fear these horses experience cannot be overstated.

Workers were expected to kill 30 horses every hour meaning one horse every two minutes. Processing made the facility, including the kill line and stun box, extremely noisy. Saws, compressors and clanging metal contributed to an extremely frightening environment for the horses. The constant cursing and yelling of obscenities also created a hostile and intimidating environment, both for the workers and the horses.

Unnecessarily adding to the horses' fear was the poor design of the kill pen, which allowed for a wide field of vision for the horses standing in it. The diagram on the right shows the range of sight open to horses in the kill pen.

When a horse was pushed into the kill pen, he immediately saw the horse that had been ahead of him suspended to his left, stabbed in the jugular and bleeding out. The handler who suspended the horses with a chain on the suspensory railing had to swing the suspended horse repeatedly, getting up enough speed for the horse to be pushed around the bend of the railing. This meant blood was sprayed everywhere and the suspended horse, who was likely shod, often slammed against or kicked the kill pen, or even the horse within it, further terrorizing him.



Because the kill pen was not designed for horses, but rather for cattle, an open head stanchion is at the front of the pen. Suspended horses were often left hanging and bleeding out in front of the horse standing in the kill pen. Many horses would reach their heads through the open stanchion as far as possible to try to touch the suspended horse.

As the suspended horse was pushed along the railing, the eyes of the horse in the kill pen often followed it. The wall alongside the kill pen was not long enough to prevent the horse in the kill pen from viewing the butchering area. The hock cutter was the first saw encountered post suspension. Many horses came crashing down from the suspensory railing, and were left lying in front of the terrorized horse in the stun box. These horses did not bleed out properly and some regained consciousness. The horse in the kill pen viewed all of this through the open head stanchion.

The placement of the captive bolt pistol operator is also concerning as he stood alongside the horse, rather than in front of it, which made an accurate hit more difficult.

As seen at Richelieu, the horse slaughterhouse in Masseville, Quebec, horses were again left standing in the bloody kill pen – sometimes for as long as 20-30 minutes. This caused enormous and unnecessary fear in the horses.





PHOTOS: Slaughter Process and Slaughterhouse Conditions



Horse missing its right eye



Horse with facial tumour affecting breathing



Horse with Stage 3 Cancer Eye



Horses in holding pens unable to lie down



Hock cutter - 1<sup>st</sup> stop post stabbing and suspension. Stun box can be seen behind.



Metal horse shoes left on horses illegally during transportation



**Area of Concern: RCMP Involvement**



Royal Canadian Mounted Police  
Gendarmerie royale du Canada

Security Classification/Designation  
Classification/désignation sécuritaire

**Unclassified**

S/Sgt. Ewen Booth, Detachment Commander  
Melville/Ituna RCMP Detachment  
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Your File    Votre référence

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Our File    Notre référence  
2009-962828

2009-09-02

Dear Sinikka Crosland

**Natural Valley Farms c/o Cruelty to animals  
Rural Municipality of McLeod, Sask.**

In response to your letter dated September 22nd, 2008 I have reviewed your request for us to conduct an investigation into allegations that Natural Valley Farms has improper butchering practices, which result in animals suffering.

Since the time that your letter was sent to the Commanding Officer of "F" Division, our office and the Canadian Food and Inspection Agency has attended the Farm several times. As a result of directions supplied to Natural Valley Farms from the CFIA that were not complied with, the operation has closed down, and presently is in receivership.

I recognize that there appears to be some workplace inconsistencies, or poor practices that were in place, but due to the action already taken by the Canadian Food and Inspection Agency, our file will be concluded. In regards to any misconduct by the CFIA workers, your concerns will have to be directed to that agency for furthering the complaint. We will retain the information on our file for future reference.

I thank you for bringing this to our attention.

Yours Truly

Ewen D.W. Booth S/Sgt.  
Melville/Ituna Detachment

Phone: 306-728-1700  
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**Canada**



## Recommendations

1. Visit the Rendering Pit to see the extent of the environmental damage and see how saturated it is. Twyla would be happy to take you;
2. Conduct water and soil sample tests to determine current levels of toxins;
3. Determine who will be covering the cost of the new European Union regulations requiring that all horses be quarantined and fed for a minimum of six months;
4. Determine where Velda will be sourcing the 750 horses weekly they have promised you, and seek concrete assurances that the horses were not given phenylbutazone or you will be risking severe liabilities should someone get sick or die from eating contaminated horse meat;
5. Given the hay shortage, it is highly recommended that you ensure you have a reliable and steady provider. This was a problem when NVF was running. No hay makers wanted to supply them as NVF was in arrears and not paying for hay provided previously. As a result, we received reports of horses starving in the rear holding pens;
6. Conduct a current poll to determine whether Canadians will support the reopening of NVF. When the last poll was conducted, none of the exposés had yet been shown and still 2/3 of Canadians did not approve of the industry. You can expect that number to be much higher now and we will continue educating the public on the problems inherent in this industry;
7. Contact NVF investor and director Henry Skjerven for a first-hand account of how he and hundreds of other investors were misled by Velda;
8. Conduct a cost analysis of the blood disposal. Legally, the blood must be hauled away. What are the costs of this?
9. Speak to community members who worked in the facility while it was in operation. Determine whether these are really jobs that will enrich your community; and finally
10. Determine whether Carry the Kettle First Nations people wants to be burdened with the negative social aspects that come with involvement in the horse slaughter industry.

### Final Recommendation

Based on these 10 recommendations, the CHDC cannot over emphasize the disastrous repercussions if Carry the Kettle First Nations were to purchase and operate Natural Valley Farms horse slaughter plant. The economic, environmental and operating consequences would be devastating to your community. We urge you to say “No” to this business venture proposed by Velda.



## Sources

Radio Interview with NVF investor and director, Henry Skjerven:

[http://www.blogtalkradio.com/Howling\\_Ridge\\_Radio/2009/07/30/Howling-Ridge-Radio](http://www.blogtalkradio.com/Howling_Ridge_Radio/2009/07/30/Howling-Ridge-Radio)

Footage of Illegal Blood Dumping by NVF:

<http://www.defendhorsescanada.org/IllegalDumpingofHorseBlood.html>

Footage of NVF Rendering Pit Discovery of Discarded Newborn Foal:

<http://www.defendhorsescanada.org/EarlyInvestigationatNaturalValleyFarm.html>

Full Information on NVF Investigation (including *Black Beauty Betrayed* Report; Footage of the Rendering Pits, All Photos and Footage of the Slaughter of the Horses):

<http://www.defendhorsescanada.org/NaturalValleyFarmsInvestigation.html>

CBC National Expose *No Country for Horses*: [http://www.cbc.ca/video/#/News/TV\\_Shows/The\\_National/Canada/ID=1305593555](http://www.cbc.ca/video/#/News/TV_Shows/The_National/Canada/ID=1305593555)

European Union Letter regarding mandatory six-month quarantine for all slaughter horses:

<http://www.defendhorsescanada.org/pdf/residues.pdf>

