

PORK NEWS

DECEMBER 2007

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COMMUNICATIONS

Government Announcements

On December 13, 2007 the Provincial Government showed swift and strong support for the Ontario pork industry. An announcement was made by Finance Minister Dwight Duncan that his government will be providing 150 million new dollars to Ontario swine, cattle and horticulture farmers who have

been struggling to survive. The assistance from the Provincial Government is the first step in helping hog producers to make sound, long term business decisions.

At the time of this publication the details of Federal program were still unknown. Specific

information for Ontario producers is available by calling Agricorp at 1-877-838-5144. As of December 24th, 2007 there will be information and a form on the Agricorp website to assist with calculating Ontario payments. www.agricorp.com

Crisis Communications

Ontario Pork has been working hard to create awareness regarding the current state of the pork industry. An example of this is the press release that was sent out regarding the state of the industry and possible producer losses. The release received a great deal of response and generated a number of radio, and news articles across Ontario. Many producers volunteered a local perspective to the media. Rob Nyenhuis of Perth, Scott Leystra of Lambton, Stewart Cressman of Waterloo, John Colyn of Niagara and Matt Duke of Temiskaming Cochrane are just a few. Ontario Pork would like to thank all the producers that have been working hard to

communicate with the media and the government. A great deal of information was provided by Ontario Pork encouraging producers to contact their local MPs and MPPs. Many producers have taken on this initiative and contributed to the communication strategy, we encourage producers to continue with these endeavors. The communications department also responded to the provincial government funding announcement, thanking the government for their support. Ontario Pork will continue efforts to create awareness regarding the difficulties of the pork industry and work to keep the producers informed.

Ontario Pork also would like to extend many thanks to all the staff who have been working so relentlessly during this very demanding time.

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PRODUCER UPDATE

Policy Day 2007 Update

Ontario Pork has had excellent response regarding the Policy Day conference that took place this past November. The conference was held at the Horseshoe Resort near Barrie Ontario and hosted over 100 producer delegates. Sessions included: Industry Competitiveness, Cost of Regulation, Safety Nets, Innovation and Research, Industry and Public Image, Animal Welfare, Trade Policy and Marketing. There

was also an information session on the Market Renewal Strategy.

In each session the delegates worked together to answer three key questions:

- 1) What are the primary concerns of the pork industry regarding this issue?
- 2) What can Ontario Pork do about it?
- 3) What do you want our policy statement for this issue to say?

Ontario Pork is now working to compile all of the important ideas and information collected. We are attempting to organize the statements into a number of draft statements that demonstrate a fair and honest representation of all the concepts and ideas brought forth.

This is a work in progress and we hope to have a draft version of all the statements completed shortly.

MARKETING

Market Overview

Record Hog Volumes

Numbers jointly released by Statistics Canada and the U.S. National Agricultural Statistics Service (NASS) October 25th show that total Canadian and U.S. market hog inventories as of September 2007 were up 1.7% from the same time last year at 71.380 million head, and 2.1% above the previous quarter. However, when further broken down, U.S. market hog numbers were up 2.9% from September 2006 and up 3.0% from June 2007 levels. These high hog numbers have translated into six consecutive weeks of record-breaking U.S. hog runs of over 2.3 million head.

In comparison, Canadian market hog inventories are down 3.3% from the same time in 2006, and 1.9% below levels reported in the previous quarter.

Canadian Dollar Price Impact

Gains in the Canadian dollar have also been breaking records as of late, with the dollar hitting a new half-century high when it sur-

passed the highest closing rate of \$1.0614 seen in August 1957. The dollar soared even higher, with the Bank of Canada reporting a Canadian exchange that traded as high as \$1.10 against the U.S. currency on Wednesday, November 7th, and marking the highest level since the late 1800's.

The continued strength in the Canadian dollar is having a significant impact on all export-reliant business sectors, and as such, we've seen substantial downward pressure on the Canadian pork industry. The effect of exchange rate alone translates into a \$15/ckg - \$20/ckg decline in Ontario Pork's forward contract and cash market prices compared to the exchange rates seen this same time last year.

The Pool Program

The Pool price is based on the weighted average price of all plant "spot buys" for the particular week. During October and November, the Pool price has run on average around \$12 below con-

tract prices. The price has been reduced by higher freight costs when sending hogs farther distances, as well as current market formula prices that rise and fall faster than Ontario prices. All the hogs that Ontario Pork has sold into the U.S. to date this fall have been above the average net prices reported by the U.S. Department of Agriculture (USDA).

U.S. Marketing Options

Opportunities also exist to sell hogs to U.S. processing facilities on a dollars-in, dollars-out basis, a marketing option similar to entering into a contract with a U.S. packer. Producers are paid based on their actual plant returns, with freight costs and border crossing fees deducted, and have the option of being paid in either Canadian or U.S. funds. Ontario Pork works with several U.S. processors with varying target weight ranges so producers can be matched up with the most suitable processor for a specific weight range.

PRODUCER INFORMATION

New Year, New Look

Ontario Pork's website gets a makeover.

In January Ontario Pork will be launching a new and improved website. The address will remain the same www.ontariopork.on.ca, but the site will bring exciting changes to the way you view, learn, consume, and share information about our industry.

Extra Extra Pork News Gets an Update!

Changes are always inevitable and with the New Year, Ontario Pork will **only produce an electronic version** of the newsletter for producers and the industry. Faced with budget cuts we have redesigned how we operate and

the methods used to provide information to the sector. A newsletter will still be produced but it will only be available on the Ontario Pork website or sent directly by e-mail. If you wish to receive the electronic newsletter,

you are encouraged to contact the Communications group at 519-767-4600 or e-mail comm.ontariopork.on.ca with your name and e-mail address.

HEALTH AND LIFESTYLE

The Truth About Red Meat and Cancer

The World Cancer Research Fund (WCRF) report, released October 2007, identified red meat as a 'convincing' cause of bowel cancer. The WCRD report published ten dietary guidelines, one of which recommended that individuals "limit consumption of red meats (such as beef, pork and lamb) and avoid processed meats".

The unfortunate outcome of such a report is that consumers often do not get the full story about the risks and benefits of eating red meat, such as pork, and the public are sometimes led to believe that red meat is "bad for you".

Taking a closer look, the WCRF actually suggested that consumers limit their red meat intake to 500g

(18 oz) per week. This is, in fact, **equal to over six (75g cooked) servings of red meat per week. This means that people can eat a serving of red meat nearly every day, without health concerns.**

As we know, pork is rich in vitamins and minerals such as thiamine, riboflavin, vitamins B6 and B12, iron, zinc and magnesium. Pork is also a lean choice, with 10 favourite cuts containing less than 6 grams of fat each. The WCRF report acknowledges that "many foods of animal origin are nourishing and healthy if consumed in modest amounts". This positive message, however, failed to make the headlines!

The bottom line is that

- (1) new research on diet and health risks need to be interpreted with caution and
- (2) pork, when eaten according to guidelines, is a healthy food and contributes to a healthy, well-balanced diet.

A response from the Canadian Pork Council, in collaboration with The Beef Information Centre, and the Canadian Meat Council, was released to the media following the World Cancer Research Fund report. This response is available on-line at

<http://www.cpc-ccp.com/documents/WCRFMediaStatementOct31.pdf>.

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Oxford Pork Producers Make a Seasonal Donation

On Friday November 16/07, the Oxford Pork Producers made a donation to Woodstock Family and Social Services Christmas Hamper program that will help make Christmas for many area families so much more special.

It started with their Annual Golf Tournament and barbecue. All the meat was donated for the event through Purina and Conestoga Meats, and a net profit of \$2900 was realized for the Salvation Army Christmas Hamper program.

On donation day, a few producers met Frank Woods from Conestoga

Meats at the Salvation Army outlet and eagerly awaited the arrival of the truck driven by Dan Luxton with 909 kg of boneless loins.

Vanessa Scotney-Page, Director of Community and Family Services Woodstock, was overwhelmed with this generous donation, saying "it is worth thousands of dollars to this year's program". As seen in the photo, everyone



Oxford Pork Producers caring for their community

pitched in to fill the three full-sized freezers on site. The Christmas Hampers, filled with local Ontario pork and other goodies, will be distributed to needy families on Wednesday, December 19/07.

Paisley Couple Wins National Outstanding Young Farmer Award

Harry and Leony Koelen of Paisley Ontario are this years winners of the Canada's Outstanding Young Farmer award.

Harry and Leony Koelen were awarded the national honour - along with a Saskatchewan couple.

The Koelens came to Canada in 1991, with a dream of building their own hog farm.

Harry started working on a pig

operation -- and slowly built the 1100 acre, 5400 sow operation they now have.

They have also achieved great success with their Environmental Farm Plan, and Nutrient Management Plans -- which have led to decommissioned wells, and compost run-off containment.

The Koelens were honoured at a banquet in Quebec.

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