

PORK NEWS

OCTOBER/NOVEMBER 2007

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Letter from the Chair

Ontario Pork is acutely aware that our industry is facing financial hardship.

We understand that as we transition through the next few months, the makeup of our industry will change. Some of the players will choose to exit the industry, while others will choose to weather the storm and remain.

Ontario Pork has been actively planning the strategies, engaging key stakeholders and leveraging government relationships and funding to maintain the viability of our industry. We wish to communicate our efforts so that you might have this information available in your decision making processes.

SHORT TERM EFFORTS:

- We are in discussions with the Provincial Government about the need for assistance during this crisis;
- Producers are strongly encouraged to register for the CAIS Program;
- Producers are encouraged to file for interim 2007/2008 CAIS payments;
- Filing for interim 2007 payments accelerates the processing of the 2006 payment;
- Ontario Pork has had briefing sessions with industry lenders to keep them informed during this difficult time.

LONG TERM EFFORTS:

- We acknowledge that in the current situation it is difficult to focus on long term initiatives. Nonetheless, we must not lose sight of our industry's future potential;
- The work of the Competitive Factors Committee is underway with a comparative analysis of Ontario's cost of production being done. Areas where change can be made will be addressed;
- The Market Restructuring Strategy (MRS) – (Ontario Pork's response to Maple Leaf Foods and Olymel's changing businesses). The next MRS phase will deliver a clear business plan that will maintain and strengthen the Ontario hog industry. Global contacts have been made and work continues.
- Asian markets continue to grow thereby increasing international demand for pork.
- Ontario Pork is reducing its services and programs to eliminate costs.

BUSINESS DECISIONS:

- Business decisions will need to be made - industry participants will have to determine what their future options are given their current situation.

- Ontario Pork has impressed upon the government the need for immediate assistance to ensure timely, practical and rational actions are taken.
- Lenders, service providers, producers, input suppliers and other stakeholders collectively realize what will happen if an aggressive movement toward industry liquidation is taken.
- All sectors involved in the hog sector must become globally competitive in order to conduct business in the future.

We're facing a serious crisis that will redefine the way we do business today and tomorrow. Ontario Pork will continue to keep you informed.

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Agricorp Ready to Help: Early CAIS payments for Producers in Financial Distress

Agricorp has been carefully monitoring reports that Ontario pork producers are facing financial hardships, and would like to remind producers about ways Agricorp can help.

Participants in the Canadian Agricultural Income Stabilization (CAIS) program who can demonstrate severe financial distress are encouraged to contact Agricorp to:

- Request that Agricorp process their 2006 CAIS files on a priority basis;
- Apply for an interim CAIS payment for the 2007 program year.

To explore these options, participants can call Agricorp at 1-877-838-5144.

The 2007 CAIS program provides coverage when a participant's production margin decline is greater than 15 percent of the reference margin. Participants are reminded to send in their 2007 CAIS forms as soon as possible after completing their fiscal year-end. More details about CAIS can be found at www.agricorp.com.

Busy fall for producers and Agricorp

Agricorp recognizes that this has been a challenging year for many producers, and is working hard to maintain a high level of customer service during a busy fall. Many producers are managing risk by:

- Reporting damage as soon as they suspect a loss;
- Declaring yields as they are harvested;
- Applying for the new Risk Management Program (RMP) by November 15, 2007;
- Securing 2007 CAIS coverage by December 31, 2007.

This is shaping up to be a busy Production Insurance claim season, and the call centre is already experiencing a high volume of calls. To report damage or declare yields, producers can now call 1-888-247-4999, Monday through Friday, 7 a.m. to 7 p.m.

Ontario Biogas Systems Financial Assistance Program

The Ontario Biogas Systems Financial Assistance Program was launched September 7, 2007. Information on the program is available on the www.ontario.ca/biogas website. Please take a few minutes to understand the overall elements of the program.

Rural Community Development Branch and Environmental

Management Branch are collaborating to deliver and administer the program. RCDB will be responsible for the administrative role and EMB for technical and information roles. The first point of contact for potential project proponents will be the Agricultural Information Contact Centre. Those seeking additional information can

contact Chris Duke 519-826-3557 for program details and Janna Arntz-Gray 519-826-3760 for application administration.

Please note that Biogas System Field Days will be held in November for potential applicants. This information is on the biogas website <http://www.omafra.gov.on.ca/english/engineer/biogas/index>

Tattoo Reminder

Producers should have received their new tattoo digits. Please start using your new digits immediately. When using your new tattoo number for the first time, make sure that your producer receipts have your new number. If the tattoo number on the receipt does not match the number on the

hogs, your shipment will be "plugged" in the plant. Once this system is fully implemented, all market hogs must be tattooed with the new five character tattoo assigned to the premises from which they are marketed. Any hogs not correctly tattooed may result in a delay in producer payment.

If you have not been contacted to complete your premises registration and have new tattoo numbers assigned, or you need tattoo numbers for additional premises please contact Stuart Roxburgh at 1-877-668-7675 ext 210.

New “Good Neighbours” Postcards Available for the Farm Community

Farmers work hard to produce our food every day. The Ontario Farm Animal Council (OFAC) and Ontario Pork are pleased to provide farmers and agricultural groups with a new tool to help them do a better job of telling people about it – a “good neighbours” postcard.

“The postcards are a great tool to use to write a note to your neighbours – tell them when you’re spreading manure, invite them

over for a barbecue or to tour the farm,” explained Bill Wymenga, a hog farmer and member of the Ontario Pork Board of Directors. “We need to keep the lines of communication open and continue to tell our side of the story.”

The new postcards feature a full-colour collage of farm-related pictures on the front, some “did you know” facts on the back, and plenty of space to write a message on.

“Good Neighbours” postcards are available free of charge from OFAC. Quantities are available, online at www.ofac.org or by calling the OFAC office at 519-837-1326.



TRACEABILITY

OnTrace Agri-Food Traceability

OnTrace is the industry-led, not-for-profit corporation created to lead food traceability programs and initiatives in the province of Ontario. The goals are: to deliver traceability solutions that will enable the agriculture and agri-food industry in Ontario to become more innovative and competitive and; to strengthen the capacity of industry and government to respond to emergencies related to agriculture and food.

The first task is to deliver an Agri-food Premise Registry infrastructure for Ontario. By infrastructure, we mean the technical foundation, legal relationships and organizational capacity to support the premise registry.

OnTrace has completed a pilot project small-scale working model of the premise registry. The pilot project included four counties (Niagara North/South, Waterloo,

and Middlesex) and a number of producer groups including the Ontario Tender Fruit Producers’ Marketing Board, Chicken Farmers of Ontario, Turkey Farmers of Ontario, the Egg Farmers of Ontario and the Ontario Broiler Hatching Egg and Chick Commission. They are now working with other producer groups as they choose to participate.

The importance of premise traceability

We all know that infectious animal and plant diseases can have a devastating economic effect. There is a loss of animals or crops and the potential continuing loss of market access. The financial cost of recovering an agricultural sector’s reputation can be greater than the cost of eradicating the disease. Traceability is becoming a requirement for export markets.

Premise identification assists industries and governments in managing an animal health or food safety issue by geographically referencing traceability information. Premise information allows officials to quickly define which areas are affected by a disease or food safety event, keeping markets open for unaffected producers.

Benefits to the Producer include:

- Strengthened customer confidence in food safety;
- Improved international trade and trade credibility;
- Improved market access;
- Reduced producer losses arising from disease and loss of profits from sales.

For additional information on agriculture and agri-food traceability, please refer to the OnTrace website at: www.ontraceagrifood.com

The Government Lobbying Year in Review and Looking Forward

With children back in school and the provincial general election behind us, Ontario pork producers should review the successes of the past year and look forward to advancing their public policy goals with a newly elected government at Queen's Park. In 2007 Ontario Pork was successful along a number of fronts. Some of its successes were won with the help of its partners and others were the result of Ontario Pork's own persistence and diligence.

For example, the Clean Water Act was introduced and passed. Fortunately, the Bill that was submitted for first reading compared to that which was passed into law was very much improved in some key respects. For example the final legislation focuses more on risk mitigation and source water protection planning than on giving powers to a new class of enforcement officers to run rough shod over the rights of landowners. These and other improvements were achieved through a concerted lobby effort of Ontario Pork and the Ontario Farm Environmental Coalition and other livestock groups. The Minister of Agriculture, the Hon. Leona Dombrowsky played a key role in putting forward agriculture's case to her colleague the Minister of Environment.

In late 2006 and early 2007, the decision by Maple Leaf Foods and Olymel to restructure their Canadian operations came to light. The restructuring of these important value chain partners will have wide ranging and permanent implications for the industry in 2008 and beyond. Ontario Pork developed a partnership strategy with the Ontario government ministries' of Agriculture, Food and Rural Affairs and Economic Development and special funding of \$250,000 was made available to Ontario Pork to research and develop a new business plan for Ontario's pork industry.

2008 will see these same issues play out further. For the coming year pork producers can expect Ontario Pork to pursue the following public policy objectives:

- Targeting a regulatory policy goal of making it mandatory for all new regulations to be preceded by a thorough economic impact assessment and cost benefit analysis. Government and the public would know the cost of all new regulations before they are enacted. The onus of proof must shift off the backs of producers and agriculture to those who draft the regulations in the first place - government.

- Improving the competitive position of Ontario pork producers will be a theme in 2008. This will include developing a response to the meat processing industry restructuring and furthering the partnership with both the federal and provincial governments. Trade concerns will also be a factor including launching an aggressive program to counteract the US industry lobby for Country of Origin Labeling (COOL).

- The Clean Water Act regulations will be brought forward in 2008. Ontario Pork is lobbying to ensure adequate representation of pork producers on the local Source Water Protection Committees and it will be advocating for improvements to the risk mitigation, inspection and local planning process which will also be brought forward in the regulations.

The first Fall Policy Conference is planned for Ontario Pork for November, and these issues and more will be examined in greater detail at that time.

ALL IN THE GENES

NEW DNA TESTS COULD IDENTIFY PIGS THAT ARE GENETICALLY SUSCEPTIBLE TO DISEASE

By Katharine Found

DNA can tell scientists a great deal about an animal – already, many genes have been related to increased growth, better feed conversion and superior fertility. Now DNA analysis is being taken one step farther as researchers link particular genes to disease susceptibility.

Prof. Tony Hayes of the Department of Pathobiology at the Ontario Veterinary College is part of a team that has identified certain genetic defects that decrease a pig's innate immune response. These defects can make the animals more susceptible to some common infectious diseases, meaning that young pigs can get sick more often. Hayes and his colleagues have converted their findings into DNA tests that are being used to measure the impact of the defects on the health of young pigs.

"Tests for genetic defects that weaken resistance should allow the industry to reduce the impact of common respiratory and intestinal diseases through breeding programs," says Hayes.

Brandon Lillie and Natalie Keirstead, while Ph.D. students in the Hayes laboratory, found problems in porcine genes for mannan-binding lectin (MBL) in some pigs. Usually, lectins play an important

role in the innate immune response of pigs by binding infectious organisms and removing them. Hayes says the team has identified some mutations, known as single nucleotide polymorphisms (SNPs) in pigs that are poor producers of the beneficial defense proteins. Pigs with these SNPs appear to be more vulnerable to some infections, particularly to those that cause pneumonia.

Hayes says pigs have variations in the amount of lectins produced, based on normal individual differences in the gene. But when the mutation occurs at one of two particular locations on the gene, he says those pigs become sick more frequently.

With this information in hand, the Guelph team developed tests to analyze DNA from pigs for mutations in MBL and in several other genes involved in innate resistance. To determine which tests are most useful, Hayes says DNA is being collected from many sick pigs that are diagnosed at the Animal Health Laboratory at the university. The results of the DNA tests are being compared with the various major diseases and infections.

In related studies, the impact on growth performance is being measured. Because there are many environmental factors that also

influence whether pigs get sick, a large number of animals must be tested to verify the associations between mutations and disease susceptibility.

Once tests for particular genetic defects have been proven to identify pigs with weaker resistance, without loss of other desirable traits, Hayes says the technology will be made available to the swine industry to include with other markers for breeding stock. He hopes the test will help reduce production costs for treating and preventing disease.

"Being able to use genetic tests to breed healthier pigs is definitely a good objective," says Hayes. "It's much more cost effective than treatment and prevention at a management level."

Other researchers involved with this study are Prof. Andrew Brooks of the Department of Pathobiology, and Prof. Jim Squires of the Department of Animal and Poultry Science.

Funding for this project is provided by Ontario Pork; the Ontario Ministry of Agriculture, Food and Rural Affairs; the Canadian Institutes of Health Research and the Natural Sciences; and Engineering Research Council.



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Dietitian's Tidbit

Ontario Pork featured in 2008 Heart & Stroke Healthy Living Calendar.

Pork is featured in the month of June just in time for the BBQ season with a "Chili Chops with Mango Salsa" recipe. An additional insert calls attention to www.PutPorkOnYourFork.com and includes a second recipe with eye-catching placement. Calendars

in French and English will be distributed to 510,000 Canadian homes in the November issues of Homemakers and Madame magazines and 30,000 copies will be distributed through the Heart & Stroke Foundation. Ontario Pork has 500 calendars to distribute. For more information or a free copy of the calendar contact Kimberly Green, Dietitian 519-767-4600 ext. 302.

Pork News Goes Electronic

Ontario Pork has produced a newsletter since 1983. In August 1985, the newsletter was first distributed to all producers. Prior to this, the newsletter was distributed to hog producer association executive members exclusively. Tim France was the editor at the time; the intent of the newsletter was to satisfy the Board's request that news of its meetings and decisions get out to more producers in a timely manner with the settlement statements. The main topics of that newsletter included U.S. countervailing duties and stabilization, the research program lead by Willy Keller to assign the four cents allocated to research projects, weaner pig meetings, and an Ontario Omaha price spread analysis. It was printed on a single piece of orange paper.

During the last twenty four years the newsletter has changed its look and feel but maintained the original intent, as outlined by Tim France. 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. The financial implications of producing a 4-6 page paper newsletter each month does not fit within our current budget constraints. A newsletter will still be produced but it will only be available on the Ontario Pork website or sent directly by email. If you wish to receive the electronic newsletter, you are encouraged to contact the Communications group at 519-767-4600 or email comm@ontariopork.on.ca with your name and email address.

