

# Canadian Pork Council

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# Introduction

## Industry Challenges - Cumulative impacts of:

- É Circo-virus
- É Currency
- É Feed costs
- É Recession
- É US COOL
- É H1N1

## Industry Response

- É Strategic Transition Plan
  - É Recognizes industry adjustment
  - É Requests assistance

# Industry Adjustment

Where we expect to be in 2014

## DOMESTIC

### Domestic Disappearance

- 150,000 tonnes
- increase from current levels to reach 88% of market share

### Domestic slaughter

- 21.5 million animals

### Total production

- 25.5 million animals

## EXPORTS/IMPORTS

### Live hog exports

- 4 million animals
- down from nearly 10 million

### Pork exports

- 1 million metric tons
- near current levels

# Programs

## 2009 Programs

- Hog Farm Transition Payment Program (HFTP)
- Hog Industry Loan Loss Reserve Program (HILLRP)
- International Pork Marketing Fund

## 2008 Programs

- Emergency Advance Payment Program
- Cull Breeding Swine Program
  - 128,225 sows.

# Hog Farm Transition Program (HFTP)

## Program value of \$75 million over two fiscal years

- Assist eligible producers set aside all hog production for three years

## Operates through a national tendering process

- November 4, 2009
- December 9, 2009
- January 20, 2010
- March 10, 2010

## Producers

- Submit total value needed to comply with program requirements
- Each bid converted to a per animal unit equivalent basis for comparison purposes

# HFTP

## Bidding system

- É Lowest per animal unit bids accepted first
- É Remaining bids accepted until funds for that tender have been exhausted

## Payments

- É Made upon confirmation that the barns have been emptied

## Results to date:

- É 432 successful bids
- É \$71.7 million
- É 137,022 sows

# HFTP - Comments

## Many more producers bidding than funding available

É Expect all \$75 million to be used

## Improvement over Cull Breeding Swine Program

É Producers determine what they need, rather than accept a set figure

É Producers keep the value of the animals

# Hog Industry Loan Loss Reserve Program (HILLRP)

## Main elements

- É loans to restructure existing debt
- É short term debts are paid over a longer period of time
- É must repay outstanding 2008 Advance Payments Program (APP)

## Applications

- É through participating financial institutions

# HILLRP - Comments

## É **Confusing at first**

É What was needed

É Who was eligible

É What institutions were participating

## É **Still see low uptake**

É Not turning out to be the solution hoped for

É Less than 240 (estimated) producers have taken the program .  
less than participation in HFTP

# HILLRP - Comments

- É **Producer concerns (responses to survey)**
  - É Didn't want or need more debt
  - É Didn't want to repay APP prior to required date of Sept. 2010
  - É Interest rate too high
  - É Difficult to develop a viable business plan
  - É Availability to producers . financial institution reluctance to lend
  - É Other concerns

# What's next?

## Export Markets

- É Canadian Pork International
- É International Pork Marketing Fund
- É Expand and strengthen existing markets
- É Bilateral trade agreements
- É Canadian pork exported to over 110 countries

# Production

## Canadian Quality Assurance program

- É Vital to regaining access to Chinese market
- É Under review to enhance program

## Animal Care Assessment for hog producers

- É Sow stalls
- É Humane handling of live animals
- É US Ag industry refers to situation as %Clear and Present Danger+
- É Undercover videos
- É Castration

## Review Code of Practice

# Business Risk Management Tools

## Consultation Process on the Future of Business Risk Management

É Growing Forward: The Agricultural Policy Framework

AgriStability

AgriInvest

AgriInsurance

AgriRecovery

É **Producer Investment Fund**

# Producer involvement

## Participate in the development of the new Agriculture Policy Framework

- É Program could be implemented in 2012,2013 for 4-8 years
- É Fed/Prov consultations to create common understanding (Phase 1)
- É Policy development will be discussed in Phase 2
- É 2 national meetings
- É 13 meetings across Canada
- É Producers should be able to submit written suggestion or online consultations
- É Provincial government consultations

## Reality

- É Federal and Provincial governments are tightening expenditures
- É Ministers currently focused on affordability and predictability

# Consumer Awareness

- É National levy on imported pork products
- É National promotion
- É Public information to identify properly labeled pork
- É Enforcement of Canadian regulations on product identification, and nutritional information

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