

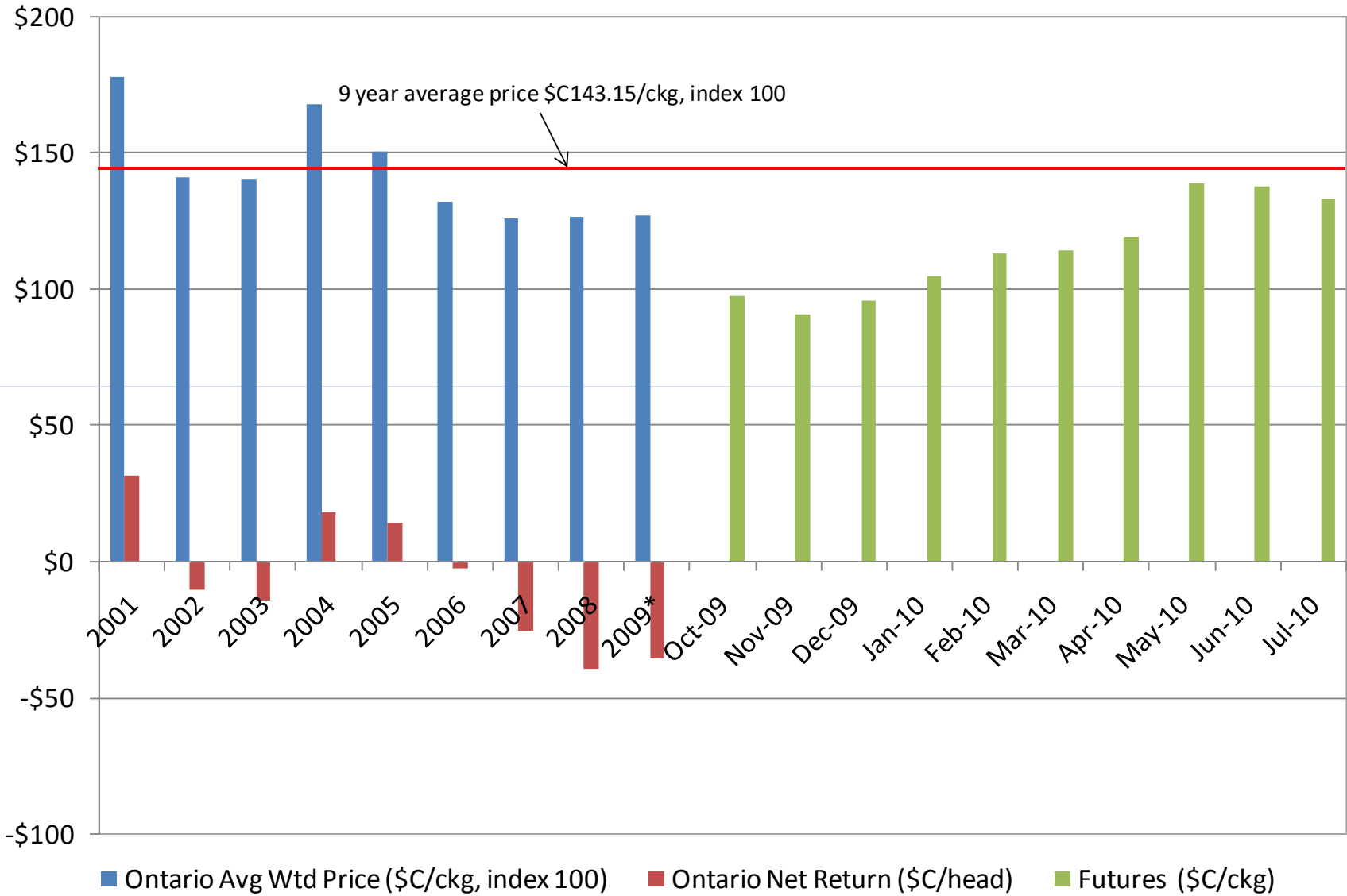
# Ontario Government Perspective

Support and Safety Net Direction

Ontario Pork



## Ontario Average Weighted Price, Net Return, Futures (\$C)



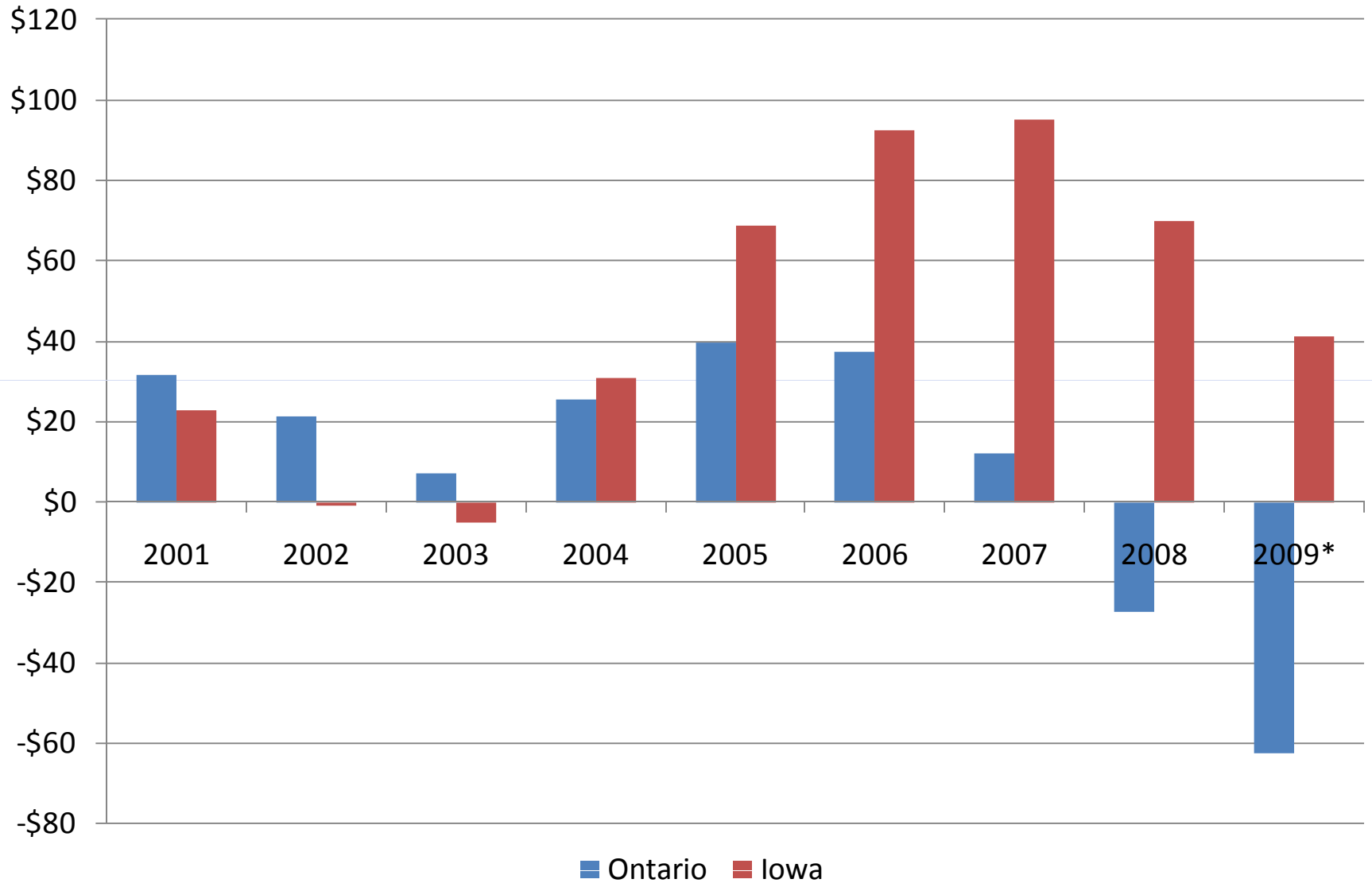
Source: OMAFRA, Swine Budgets, farrow to finish, Ontario Pork; 2009\* - January to August.

### Iowa Selling Price, Net Return, Futures (\$US)



Source: Iowa State University, Estimated Returns for Farrowing and Finishing, CME, Ag Decision Maker; 2009\* - January to August.

## Cumulative Returns Ontario vs. Iowa (\$C/head)



Source: OMAFRA, ISU; 2009\* - January to August.

## Provincial Position on Pork Industry Assistance

- Government meetings – own ad hoc ask for province;
- OP proposed a provincial top up to original \$30 federal CPC request, for beginning farmers, innovation and the Financial Protection Plan;
- Provincial position has been consistent since the first meeting in late March.

# Consistent Government Position

- Ontario Pork must get all of industry on side before any kind of support would be considered;
- No reopening of OCHHP program under any circumstance, or new incremental funding of that type (based on 2000-2004 COP – Zegarac);
- Too many other commodities in a similar position and province has no funding;
- Government believes the pork sector must cut back production;
- Government not interested in any funding that may perpetuate what they see as over production;
- The current crisis in the industry is a national one, and therefore appropriate for a CPC/federal government response;
- Minister has asked for a Strategic Plan from Ontario Pork and funding could be provided if Ontario Pork can forge an industry consensus.

## Status

- Focus is on how to access existing government program funds – quickest source of funds;
- i.e. Growing Forward program offers a new opportunity for funding – cost shared program;
- Initial opportunities have been identified working with OMAFRA staff – short term \$ and long term \$.

# Ontario Pork Focus – Six Key Provincial Strategies

1. Help to producers exiting the industry;
2. Help to producers who are remaining - investments in farm upgrading, safety and bio security measures, fairer BRM programs;
3. Initiatives to grow Ontario consumer market – capitalize on consumer and food service demand for local product;
4. Initiatives to renew industry thru new products and value, address market evolution on issues related to animal welfare e.g. loose housing;
5. Establish an improved industry Forum to accelerate industry adaptation and evolution across supply chain;
6. Investigate and pursue unfair trade practices – including but not limited to ASRA – develop a coalition with partners.

## Economic Climate Has Changed

- We do not have the mass support to buy us out;
- Seeking the “Ogre” – Probably not realistic;
- Control is within our long term future plan – Can impact;
- We are within a whole sector change – the paradigm is shifting.