



ONTARIO PORK

Summary - Ontario Pork Policy Day Meeting September 17, 2010

Welcome and Introductory Remarks – Wilma Jeffray

Ontario Agricultural Sustainability Coalition/Business Risk Management Program_– Steve Illick assisted by Patrick O’Neil. Delivered presentation, followed by questions of clarification.

- Ontario Pork consulted widely with producers starting with policy days in Nov 2009, and at county meetings over the winter;
- OASC formed – livestock, grains, horticulture, OFA, CFFO;
- OASC sponsored events at Stratford and for MPPs at Queens Park;
- Met with Minister Mitchell every month since her appointment;
- Safety net Committee Meetings with producer representatives;
- Technical Meetings with OMAFRA Ongoing through period;
- Official BRMP to be submitted after policy day discussions;
- BRMP is a price insurance program which calculates premiums and benefits on a commodity specific basis;
- Benefits based on difference between a floor price and average market hog prices
- Provided examples of 100% funded vs 40% funded BRMP;
- Discussed policy consideration which included: 100% funding is difficult to achieve in short run, BRMP is not fully insulated from trade countervail action, but carries risk profile similar to existing programs - BRMP would cover exported animals.

Questions for Discussion:

The following questions were reviewed by each District with responses presented:

- What is the most effective approach to take in the federal -provincial standoff? Is it to adopt the position of the Hon. Carol Mitchell and lobby the federal government and MPs for its 60% share, or to argue that Ontario should come up with its 40% share right away notwithstanding the federal government, or indeed, press the province for 100% of the funding needed?
- Discuss trade issues involved with BRMP and the acceptability of the risk that is involved.

- Discuss whether OASC has the right advocacy approach and recommend other strategies that could be pursued.

Summary of Group Discussion OASC/BRMP

Overall support expressed for achieving a BRMP for the industry. Out of 12 districts, 8 supported the position that the Ontario government should provide a 40% share notwithstanding the federal government. While a few of the districts were in favour of pressing the provincial government for 100% of the funding, there was general recognition that it was best to start at 40% and build from there.

Policy Statement – OASC/BRMP

Overall support was expressed for proceeding with a request for a BMRP plan, and keeping the pressure on both level of government to provide support – with realization the provincial share is most probable. OASC is a group to continue to utilize.

Financial Protection Plan - Patrick O’Neil (Delivered presentation, followed by questions of clarification)

- Identified a need for a swine financial protection program (FPP) to protect the interest of producers who sell market hogs to licensed processors and marketers (including those in other provinces and the US);
- 12 – 18 months required to implement program;
- Offers financial protection from the time market hogs leave the farm until payment is credited to the producer’s bank account;
- Program benefits: licensing standards for marketers and processors regulates a firm timeline for payment to producers;
- Undertook the development of a “beef style” program, initially for market hogs, but over time other classes of swine can be added;
- OP conducted an actuarial study considering various implementation and cost options-completed in June 2009. Study recommends a fund with a minimum of \$3.0M at start-up and growing to \$5.0 M within 10 years. Without pre-loading, the actuarial recommendation is for a premium of at least 10 cents per hog for the first 10 years of the program and questionable fund sustainability during that period;
- Provide background of how the program would work, providing industry statistics for Ontario market hogs.

Questions for Discussion:

The following questions had been provided to all delegates and responses were provided from each district.

1. Assuming no government funds were available to launch and maintain the program, should there be a Financial Protection Program?
2. Should Ontario Pork use producer funds to pre-load a program?
3. Is there a premium level where a program would be viewed as workable?

4. Should a pork Financial Protection Program be mandatory?

Summary of Group Discussion on Financial Protection Plan

Eleven out of 12 districts were in favour of a Financial Protection Plan with many agreeing with government funds.

Policy Statement – FPP

Overall support is for preload funded. OP reserve funds could be used but want to try to get government contribution. A premium level of 3 cents is acceptable, and some willingness to pay more if required. The program should be mandatory however evaluate consideration for producer owned co-op.

Castration (breakout session) – Keith Robbins (Delivered presentation, followed by questions of clarification)

- Reasons for castration, behaviour, taint, quality of meat;
- Variation in taint levels different throughout world - Canada has low rate;
- Taint varies - genetics, diet, management, weight, age etc.;
- No reliable means of measurement on the line;
- Consumer tolerance;
- Economic and market feasibility;
- Status of hog industry;
- Castration options: Immunization- Improvac, DNA markers and genetic selection, castrate with analgesics or anesthesia, status quo.

Questions for Discussion:

1. Is this an issue that hog producers in Ontario should be concerned about?
2. Based on the information provided in this White Paper or your own personal knowledge about the topic, do you feel there should be a change in how we castrate pigs?
3. What training, resources or research could help ensure producers do the best possible job?

Policy Statement - Castration:

Ontario Pork should be proactive to address the whole food chain to engage end users, while Ontario Pork continues to fund research such as sexed semen and boar selection and new technology. The process must be cost effective and viable to the producer.

Sow Housing (breakout session) – Crystal Mackay (Delivered presentation, followed by questions of clarification)

- Issues important to Canadians: # 1 Food Safety; # 2 Animal Welfare; # 3 Environment;
- Over 95% of Canadians say they know little or nothing about farming, but 2/3 want to know more;

- Statistics from the U.S.: Sow stalls banned in Florida 2002; Sow & veal stalls banned in Arizona, 2006; Sows/veal/hens in California 2008; Sows/veal/hens in Ohio 2009/2010;
- Proposition 2 is a moderate measure that stops cruel and inhumane treatment;
- In Canada: Winnipeg Humane Society “Quit Stalling” campaign in 2003 - to ban stalls by 2013 www.quitstalling.ca;
- Canadian Coalition for Farm Animals and Humane Society International Canada to ban stalls by 2013.

Questions for Discussion:

1. Is this an issue that currently impacts your farm business decisions?
2. Based on the information in this White Paper or your own personal knowledge of the topic, should our industry make a commitment to discontinue the use of sow stalls?
3. Should our industry make an effort to educate the public about how pigs are raised and cared for in Ontario?

Summary of Group Discussion on Sow Housing

- Producers can play a large role in helping educate public, retail and food service.
- Marketing campaign to: combat activists and instill public trust – safe pork is being produced at a good price; humanely raising our animals; campaign needs to be long-term to achieve results;
- Grocery store labeling;
- Need Ontario statistics - many producers already have both systems now;
- It’s all about choice and producers want to be able to maintain that.

Policy Statement – Sow Housing

No policy statement was created from the discussion.

Seven Recommendations from the GIRA Report (breakout session) - Curtiss Littlejohn
(Delivered presentation, followed by questions of clarification)

- Pressures on producers and ideas for improving the situation:
 - a very volatile, revalued CAD – Hedge in a CA\$ priced forward contract
 - pig price volatility – review the relevance of current U.S. based price fixing
 - competitiveness – transparency and dissemination of relevant information
 - supply chain dysfunction – bringing together all operators in the supply chain
 - trade opportunities – differentiate by USP’s and obtain bilateral market access
 - vulnerable domestic market – valorize Canadian production, combat imports
 - oversupply of hogs – add value and target higher value markets

Questions for Discussion:

1. Based on GIRA’s findings do you think its conclusions and recommendations are valid?
2. Which ones are unrealistic or too difficult to achieve?

3. Who should take the lead in finding a solution?
4. Are there any areas that have been missed entirely in the findings and what are they?

Summary of Group Discussion on Seven Recommendations from the GIRA Report

This session became a question and answer session, some for clarification of the report and a great deal to do with understanding of what CPC is doing and has done. The session concluded without creating any policy statement:

- There is a need to look at the whole value chain;
- Market power imbalance – the consumer needs to be educated properly/accurately at retail level – potential for Pork Marketing Canada to do research and present the results;
- Lobbying government for BMRP;
- Tax incentives for consumer that buys local – funds returned to producers;
- Have domestic supply in the grocery stores that reflects the farm with CFIA improving import inspections;
- Law of supply and demand. To be competitive cut costs throughout value chain;

Policy Statement - GIRA

The session concluded without creating any statement.

Report on Universal Services/Marketing Division Split – Wilma Jeffray

- The Farm Products Marketing Commission to make regulatory revisions to Regulation 419 to enable mandatory participation for producers, processors, transporters and marketers including: mandatory price reporting; remittance of fees; submission of information to support traceability;
- Ontario Pork working towards December 4 deadline: New mission, vision, strategies launched; Divisions established for Ontario Pork Universal Services and Ontario Pork Marketing Division; HIAC meetings; Electoral changes;
- Marketing Division: sales, marketing, and logistical services; settlement and accounting services;
- Universal Services: Board Secretariat, communications, consumer marketing, finance and administration, industry/member services;
- Industry Security: Information collected will allow producers to benchmark their individual carcass data against industry data; Accounting / security protocols being implemented to ensure confidentiality and comply with legal requirements; OINK website will reside with Ontario Pork Marketing Division for its members; New secure member site for Ontario Pork Universal Services;
- Mandatory price reporting will consist of two components: Canadian and U.S. pricing data gathered from public sources and Ontario-specific pricing gathered from processors and/or marketers;
- Ontario Pork Universal Services is responsible for collecting, reporting and storing data;

Wilma, Ken Ovington, Keith Robbins and Andrew Marks responded to questions that focused on:

- Marketing division;
- Processors using the marketing division;
- Communication with producers.

Open Session - Chaired by Wilma, with Ken Ovington, Keith Robbins and Andrew Marks responding to questions related to:

- Getting BRMP request to government and OASC's focus;
- Marketing Division roles and scenarios;
- Mandatory Pricing components;
- Extension of ACC loans on those that paid them out from commercial lenders;
- Promotion of pork.