



## ONTARIO PORK

### Nov 19/20 Policy Conference Summary Report

## Policy Facilitation Summary:

### Electoral Structure:

#### Overview:

There is a consensus among the Councilors and Directors present, to proceed with a reduction in Director and Councilor numbers to rebalance representation to more adequately reflect industry production demographics. There was also a strong consensus against the proposed 10<sup>th</sup> Director elected to represent large producers.

#### Details and Discussion:

- While there seemed to be an overall preference for the electoral model proposed in the white paper, participants were nevertheless somewhat split between two approaches 1) the white paper proposal of 80 councilors, with 9 directors (3 each from three zones) and 2) councilors chosen on a county basis, with 12 directors (1 from each district).
- There was also a frequently discussed concern about Zone 3 and the distance issues involved and a loss of representation as a result.
- There was a strong consensus against a 10<sup>th</sup> director elected to represent large producers – those supporting the concept preferred that the 10<sup>th</sup> director be elected at large from the entire producer base.

### Safety Nets:

#### Overview:

Essentially, while a majority of tables supported the CPC position in whole or in part (8 tables), there were a number of tables (4) that either were against safety net programs in principal as being market distorting or because they create an uneven playing field between commodities and farms within the same category. There was also little support for raising the caps to \$10 million.

#### Details and Discussion:

- Those that basically supported the CPC position raised a number of related issues:
  - OP should approach the federal and provincial governments for assistance related to the 2006 circovirus outbreak and the subsequent impact on

- reference margins, and waiving downward structural change;
  - CAIS (AgrilInvest) is supported but should be more transparent and or expanding farmers more fairly;
  - Raising the cap to \$10 million is not an issue for Ontario producers and consequently they would not want to see overall program funding availability reduced because of raising the cap;
  - ASRA should continue to be lobbied against.
- The minority that were against the CPC position were essentially against government assistance programs in principle or would like a different approach taken such as reverting to commodity specific programs, provided they were not countervailable.

## **Marketing Structure:**

### **Overview and Details:**

#### ***Sales and Marketing:***

There was a strong consensus that an arms length sales and marketing arm was acceptable to producers. However, there was concern expressed that Ontario Pork should ensure that the new organization is viable – otherwise the industry could revert to the situation which created the need for Ontario Pork in the first place. For example Ontario Pork should provide seed capital and could loan funds to the new organization to ensure its viability and the new arms length organization should not be a marketer of last resort.

Finally, while there was discussion of the issue of a security of payment guarantee enshrined in legislation with several tables wanting to continue to pursue a stockyards and packers act, one table felt that this should be left to the free market. Independent marketers or 'Ontario Pork Marketing' could use the guarantee in its pricing and marketing advantage.

#### ***Universal Services:***

The majority of the tables did not rank OP universal services into top and bottom priorities. Several tables felt that all of the mentioned services in the white paper were important. Of those services that were named as the least important, it was owing to the belief that, while they were important, there may be another organization that could Ontario Pork could off load or up load the service.

#### ***Most Important (mentions):***

Government Relations/Lobbying/Safety nets 6  
 Environmental Policy 4  
 Licensing 4  
 CPC/CPI Trade Advocacy 3  
 CQA 3  
 Traceability 2  
 Board Governance 2

***Least Important:***

Consumer Marketing 2  
Animal Welfare 2  
Traceability 2  
OPGA 2 – important but can be outsourced  
Industry/Producer Relations 1

***Licensing Fees (Universal Services Fee):***

Charging a separate marketing and licensing fee was supported by most tables in light of the FPMC decision. While there was not sufficient discussion or consensus on a particular fee amount, there was a general, but vague, view that the universal services fee should be less than the current Marketing Service Fee (\$1 or less was mentioned or one that was “competitive with other organizations”, “lower than today”, “should be no duplication”).

***Mandatory Price Reporting:***

The continuation of Mandatory Price Reporting was supported by most tables with a plurality of tables recommending this function could be carried out by the new marketing organization as a universal service or up loaded to OMAFRA or other central record keeping body (e.g. OPGA).

***Market Renewal Strategy:***

***Overview and Discussion:***

There was not a consensus to proceed with the Supply Chain Council at this time (only 4 of 14 tables showed clear support for the concept). The main reason for the lack of consensus appeared to be the uncertainty surrounding the future of the marketing and sales function and the tight timelines of the FPMC decision. Others seemed skeptical that there were sufficient staff resources to pull it off at the current time. Others were not aware of the thinking behind why some approaches were rejected e.g. producers taking over the Burlington plant.

## Collection of Policy Statements

Policy Day

November, 19<sup>th</sup> and 20<sup>th</sup>, 2008.

### Electoral Structure

*Table 2*

#### **Policy Statement**

Supports a governance model with: 3 zones, 3 directors per zone, no tenth director, and board chair should vote, 80 councilors elected by district, agreement on Board terms as presented.

In all zones they would recommend that the smaller districts would have first right of refusal to elect a director so that not all councilors are from the largest district.

Basically, trying to reduce the exclusion of an area due to block voting.

7 of 7

*Table 3*

#### **Policy Statement**

- is not supportive of the three zones as proposed, instead table 3 would like to see 12 directors elected, 1 from each of the 12 districts
- 91 councilors, by county (as divided in the proposed sheet) to be elected
- Table 3 is not in favour of a director specifically of large producers.

7 support the proposal

*Table 4*

#### **Policy Statement**

Generally supports the electoral model

- number of councilors should be adjusted to 100 total
- 10<sup>th</sup> director is not necessary
  - o If there is a 10<sup>th</sup> director, they should be elected "at large" not tied to production size
  - o Could be reserved for director who represents Ontario at the national level.

*Table 5*

#### **Policy Statement**

General support for the overall model – a reduction in councilor

10<sup>th</sup> director is okay but

- Elected by entire councilor based (elected at AGM)
- Large producer must be majority shareholder and decision maker of the operation (Cannot be a herdsman)
- Large producer = those producers contributing to the top percentage (5-10%) of total service fees

Vote 6-0

*Table 6*

**Policy Statement**

Table 6 Policy Statement

- 60/40 – model – current
- Change to 60%/production/40% production
- Don't know "who" large producers are
- 10<sup>th</sup> – not from a special class

9 of 9 in favour

Support the proposed governance model based on councilor model of 60% production/40% producer

- 80 councilors and 3 zones and 9 directors and no director from special class

*Table 7*

**Policy Statement**

Supports the proposal specifically reducing the number of councilors from 200 to 80 and reducing the size of the board.

Electing a 10<sup>th</sup> director for large producers is OK provided the 10<sup>th</sup> director represents only the producers by shipping volume.

Vote 8-0

*Table 8*

**Policy Statement**

We agree with the Governance Model proposed for zone 1 and 2 subject to review of zone 3 proposed by zone 1 and 2

Issues:

The zone director must be dedicated and willing to follow through on the job description.

We aren't in favour of the director at large. IT emails – not personnel no interaction – depends on purpose – need different type – Make sure there is a director from 11, 12.

Use number of councilors from last 3 AGM average then reduce by 40% in zone 3 only 1 and 2 ok at 60%.

*Table 9*

**Policy Statement**

There was general support for the proposal to restructure the electoral system.

The concepts of downsizing councilors and moving to zones seemed reasonable,

However, issues unresolved included; 10<sup>th</sup> director based on size, timing (i.e.

Implementation), new electoral process for councilors and directors (i.e. New elections)

*Table 10*

**Policy Statement**

Overall, delegates at Table 10 were in support of the proposed policy direction.

However, they do not see the need for a director specifically chosen from the large producer base.

Secondly, to keep active stakeholder engagement at the county level, the number of councilors or delegates should remain at 214 but the number of voting councilors should be reduced to 80 as proposed.

Which councilors attend "voting" meetings should be at the discretion of the district.

Thirdly, for geographic reasons, could Ontario Pork consider moving Wellington County to Zone 2 and Grey Bruce into Zone 1.

Directors would move with them so Zone 1&2 would have 4 directors and Zone 3 would have 1 director.

*Table 11*

**Policy Statement**

Table 11 agrees that there needs to be a reduction in the size of the Board and the number of councilors. They want councilors by county and directors by district, not zone. 9 Board directors from 9 districts, not zones. No director at large concept.

*Table 12*

**Policy Statement**

Is supportive of the proposed governance model, with the 10<sup>th</sup> director having to be a councilor and marketing 10,000 swine units and reviewing of the calculations of number of councilors which is currently a reflection of a 60/40 weighting producer versus hogs (calculated on market only) – look at 50/50 or 40/60 or even 30/70 (subject to review on information obtained on non-market hogs).

*Table 13*

**Policy Statement**

Table 13 Policy Statement

- In favor of more than 80 councilors (7 out of 8 favours 91) so each county is represented.
- Support 3 year terms with elections of 1/3 directors every year.

Options:

- 1 director per district – 12 (10 in favour)
- 12 directors elected at large from each zone, 4 per zone (2 in favor)
- Prefer 10 directors (1 in favour)
- Eliminate director-at-large (10<sup>th</sup> director)

8 in general support of right sizing based on some type of formula

*Table 14*

**Policy Statement**

This table agrees to support Ontario Pork's proposal of the electoral structure as long as representation is equal and fair amongst all regions and areas. All pork production segments are represented in a fair and equitable manner.

We propose this by

- maintaining 3 zones with a representative coming from district 11 and 12
- maintain district associations maintaining county associations councilors which would feed into zone councilors – funded by Ontario Pork
- Not in favour of 10,000+ producer
- Directors – three from each zone and 3 representing all pork production segments total of 12 with three year terms

*Table 15*

**Policy Statement**

Supports the general direction of the governance model however should go down to 9 directors, 80 councilors good, consensus that don't need 10<sup>th</sup> director for size, and no minimum hog size requirement for Directors. Questions around restructuring of county grants.

Other recommendations – concerns/comments about years of service; some feel no cap; some unsure about consecutive 4 year terms.....what if take 1 year off? – will 12 year cap prevent vice-chair and chair positions?  
9 in favour of general direction

*Table 16*

**Policy Statement**

In favour of direction of reducing number of directors and number of councilors under the following conditions

- 4<sup>th</sup> zone added representing 11 & 12 for geographical reasons
- 9 directors
- Challenge the Board to represent the large producer rather than one additional director
- County/producer association should be encouraged

Vote 8-0

**Safety Nets**

*Table 2*

**Policy Statement**

Producers at Table 2, in principle, endorse the CPC position. They also support OP approaching both the federal and provincial governments for assistance under AgriRecovery for producer losses resulting from the 2006 disease outbreaks that devastated producers' margins and resulting CAIS payments.

The producers also want to ensure that the CPC continue to address the inequities of the Quebec ASTRA program.

And finally, the producers encourage OP to keep refocusing the federal government's efforts on market access to the US (COOL) and to request federal assistance for stable processing capacity in Ontario.

*Table 5*

**Policy Statement**

Ontario Pork should continue to support and endorse the Canadian Pork Council positions (as per page 17 in the white papers).

Five of eight delegates at the table disagree with the removal of the \$3 million cap.

Never take "no" as an answer from the government.

The most pressing issue is money.

Production insurance needs equivalent payment for circovirus.

*Implementation consideration:*

Programs need to be more transparent and make sure new and young farmers are covered fairly.

*Table 6*

**Policy Statement**

We support Ontario Pork in supporting the Canadian Pork Council position

BUT... due to the current industry situation we do not find any of these programs adequate to meet our needs.

Example: Too many years of negative margins and disease adjustments.

We would like to see lobbying relief on ACC loans.

*Table 7*

**Policy Statement**

Ontario pork should support the Canadian Pork Council's position.

The most important parts are felt to be:

- 1) Extend the emergency advances.
- 2) Provide production insurance equivalent.

Removing the cap is not at big issue for Ontario producers

AgriStability payments should be included in reference margins.

*Table 8*

**Policy Statement**

We have a preference for keeping CAPs the same.

We feel it makes sense to give producers choices between AgriStability and AgriInvest.

We support asking for increased negative margin coverage.

Unanimous support for waiving downward structural change.

We are supportive of a production insurance offset, as long as producer's records would constitute proof of loss.

We feel that too much coverage will stop people from exiting the business.

*Table 9*

**Policy Statement**

Table 9 supports Ontario Pork's proposed policy as long as the cap remains at \$3 million dollars and it is considered an insurance program and not countervailable.

Also the program can not encourage over production.

*Table 10*

**Policy Statement**

Table 10 is in favour of:

- 1) New AgriInvestment program.
- 2) Enhancing negative margin coverage.
- 3) Providing production insurance equivalency payment.

Table 10 is not in favour of:

- 1) Raising Caps to \$10 millions dollars.
- 2) Waiving downward structural change.
- 3) Extending ACC loans.

*Table 11*

**Policy Statement**

Table 11 in general supports the position Canadian Pork Council is taking, and feels that all points are important.

However, there is disagreement with the cap amount, the inequity of ASRA, length of time the CPC is taking, and how "beginning farmers" are defined.

If your margins are going down three out of five years then you should be able to use your 3-7 year Olympic Average.

*Table 12*

**Policy Statement**

Table 12 does not support Ontario Pork's position in support of the safety nets. Safety net programming is inequitable and creates unfair advantages for one producer over another.

We believe that there should be no safety nets for agriculture in all of Canada.

Production insurance should be available, but optional.

We are currently not in favour of increasing caps.

*Table 14*

**Policy Statement**

Table 14 feels that safety nets are not and will not work for beginning/expanding farmers or for commodities that experience long term reduction in over all margins.

We want something non-countervailable like the previous market review (GRIP program) that would be specific commodity based.

We do not agree with raising the cap to support corporate agriculture.

*Table 15*

**Policy Statement**

We do not support the direction as proposed.

We would propose:

- 1) A rational red meats program, similar to GOP and GOPP (grains and oil seeds) 2005. Based on a percentage of allowable net sales of eligible commodity on every farm that produced that commodity. (Amber box - WTO)
- 2) Extension forgive emergency advance.
- 3) Producers without a history should use data from existing producers with similar operations.
- 4) Push the government for more details on AgriFlex program.

*Table 16*

**Policy Statement**

We could not achieve consensus on support of the Canadian Pork Council statement. We want issues of trade and production policies (i.e. use ethanol policy) addressed to correct equalization problem.

We want to look at subsidies and options to provide alternatives such as:

- 1) Raising the Cap from 3 million will not help the majority (99%) of Ontario Farmers.
- 2) Those wanting more coverage should pay a higher premium.
- 3) All Programs are creating an uneven playing field between Ontario producers depending on farm type.
- 4) Programs should be more straightforward (simplify applications, paper work, etc.).
- 5) In favour of enhancing negative margin coverage from 60% to 70%.

**Marketing Structure**

*Table 2*

**Policy Statement**

Table 2 supports a separate marketing arm (options) and should be totally separate and license like all other sellers. OP should have the authority to revoke licenses of defaulting sellers.

Table 2 feels there needs to be mandatory price reporting and that it be done by all licensed sellers, buyers and individual users of all service (weaners, sows, boars, market hogs)

Table 2 feels there is merit for all listed universal services and add on market intelligence info.

They would like to know the cost of these services but also feel there will be a reduction in fee to \$1 or less.

### *Table 3*

#### **Policy Statement**

Generally supportive of arms' length marketing structure with some reservations

- How much will it cost to start up and run?
- Needs to be competitive
- Market with determine viability
- Mandatory legislated price reporting is a must have

Implementations

- What happens with settlement?

### *Table 4*

#### **Policy Statement**

Table 4 feels the most important universal services for the new Ontario Pork to continue are:

- Licensing; Traceability; CPC/CPI/Trade advocacy; Environmental Policy; Government relations/safety nets

Middle/lower importance functions were:

CQA/animal care and welfare; Communications and consumer relations; and Research

Least important:

Consumer marketing; Industry/producer relations; OPGA

Table 4 feels that mandatory price reporting should be based on the US model where price reporting is law (i.e. responsibility of government)

### *Table 5*

#### **Policy Statement**

Table 5 generally supports OP having an arms' length marketing arm with the following conditions:

Government-funded and regulated price reporting

Separate service fee

OP marketing is not required to take all hogs

OP marketing follows the same price reporting as other marketing groups

Grading fee only on hogs marketed in Ontario, ideally funded by government (not a universal function)

Grading system needs integrity

All services related to marketing move to Ontario Pork Marketing

Ontario Pork association (universal) provides the following:

Lobbying – Environment/safety nets

CQA

Animal care/welfare

Traceability

Food safety (maybe government funding)

Register producers - (fee undecided at each level) – includes:

Contractors

Weaner producers

Sow sales

Cull sows

Finishers

Breeders

Payment security should be available but not required; use as a marketing advantage for agents

(Price minimum \$2/pig)

*Table 6*

**Policy Statement**

Table 6 does not feel that mandatory price reporting is required.

However, we could establish an average reference base price through a format such as John Bancroft weekly report.

Table 6 generally accepts that there is a separate marketing arm with a good start with seed money that is loaned.

Table expects it to be stand alone with a 6 - 24 month end and that the marketing arm could be housed in current building separately spaced.

Table 6 feels that a universal fee be the basis to budget the services of OP.

The fee needs to be competitive with other organizations.

*Table 7*

**Policy Statement**

Table 7 supports the 15 universal services with the top 5 being:

- Government relations

- CPC

- CQA

- Licenses

- Safety nets

Some of the functions can be provided by other organizations (i.e. Animal care and welfare to Ontario Farm Animal Council).

Price reporting should be a provided service with a market and production economics information service (OMAFRA, John Bancroft data and economics).

Production and economic service

- Pulled together economic and production information

- Explanation of data related for safety nets etc. with lob by efforts/government relations

Table 7 wants to have mandatory price reporting preference collected by government however recognizing that ONT pork may have to perform function  
Information we want collected is

- Volumes
- Price range (high and low)
- Gross hog values

Table 7 supports a separate marketing entity, separate from Ont Pork that is competitive in the industry. It lives or changes on its own merit. A guarantor of settlement is required for the industry.

The settlement guarantee cannot be overseen by the marketing entity. It needs to be independently overseen by a separate entity, government to be investigated.

Potential that it can be achieved through licensing, by refusing to grant a license, where the applicant is not qualified by experience, financial responsibility and equipment to engage in properly the business for which the application was made for assembling, processing, shipping or transporting hogs.

This would require stronger licensing and due diligence in monitoring financial requirements of licensees.

Potentially the licensing oversight could be sources similarly to a payroll service.

Not supportive of producer fund that would provide funds where settlement not made by buyer.

#### *Table 8*

##### **Policy Statement**

Table 8 is split on supporting the farm products decision.

The table believes there should be marketing arm for producers that choose it, but the table is split on how closely the marketing arm should be linked with OP.

Table 8 believes that a universal service fee should be affordable so that total costs are lower than today.

Duplication should be fought at every opportunity.

Most of the universal services are necessary.

#### *Table 9*

##### **Policy Statement**

Table 9 supports a separate OP sales and marketing organization that is shareholder or user run that includes the IPR unit and start up funds in the form of a loan to be paid back within 2 years

Table 9 supports the universal services Board Governance; Environmental Policy; CQA; and Licensing Agreements as well as collection/enforcement, also guarantee and payment for market hogs into a separate funds.

A mechanism must be in place for collection on-premises is best option.

Give example of what is meant by premises.

Table also supports mandatory price reporting by packers to a third party (possibly OPGA) of price per weight only – this would be a universal service.

#### *Table 10*

##### **Policy Statement**

Table 10 is supporting of splitting OP into 2 distinct bodies.

One will be responsible for delivering essential universal services and the other will be an arms length, independent, self sustaining competitive biz to sell market hogs.

OP should ensure that the provincial government is responsible for enforcing mandatory price reporting daily.

Timeliness and security of payment must be ensured through the creation of a pork financial protection program administered through OMAFRA, licensing hog buyers similar to the beef or grains financial protection programs.

Although settlement may be delivered in a number of fashions, OP needs to consider some type of equitable dispute resolution process to mediate issues around shipment numbers, number of condemned hogs, ridglings and other issues.

A provincial packers and stock yards act should be pursued in the short term, with a long term view to achieving a fed packers and stockyards act.

The 3 most important universal functions:

- Government relations & lobbying (this should include safety nets);
- Price Transparency
  - range of prices reported daily by the packer
  - should/could be the responsibility of OMAFRA
- Dispute Resolution – verify #'s, condemns, etc

Maintain marketing arm BUT it must be at arm's length with financial help

Sell settlement services - competitive

#### *Table 11*

##### **Policy statement**

We are supportive of the proposed marketing structure with the caveat that the marketing arm must be competitive with enough hogs to be viable with the right to refuse sub-standard hogs and have a source of capital to fund start-up of marketing arm.

The top 3 universal services identified by Table 11 are:

- Board Governance, Environmental Issues, and OPGA tied with Government Relations and Lobbying

We recognize the OPGA is important but can be outsourced

We recommend that the mandatory price reporting is administered by third party with responsibility of processors to report numbers and price premiums on a weighted average daily basis.

Table 11 also identified that licensing agreements, hog ID and traceability and consumer marketing are the bottom 3 priorities.

#### *Table 12*

##### **Policy Statement**

Table 12 feels that op should have a 3<sup>rd</sup> party marketing arm. There was strong support for the mandatory price reporting for all market hogs sold in ONT, QUE, and the U.S.. Key info includes volume, high, low, average, base, premium, and discounts.

With respects to services all are important and OP needs to be flexible to address the issues of the day.

Key services are:

- Trade
- Government relations
- Licensing of producers for fee collection

Table 12 would encourage op marketing arm to retain the ability to maintain price transparency and guaranteed payment (work towards) and voluntary settlement.

*Table 13*

**Policy Statement**

Table 13 is supportive of the proposed direction for the sales, marketing, and settlement function.

OP should maintain services for those that choose to use them.

Sales and settlement should be separate from the political side of OP.

OP should look to other jurisdictions to learn from their success and mistakes.

Consider start up loan structure for sales and marketing arms.

*Table 14*

**Policy Statement**

Table 14 supports OP's policy directions with the following provisions:

Price reporting is critical; and OMAFRA should be responsible for the program

If gov't is not willing then we support OP being responsible for price reporting

The table agrees that the OP marketing arm would have to be supported by OP for 2 yrs.

The marketing arm is not obligated to market all hogs offered to them.

OP's marketing arm will be able to market-this includes fwd contracts, logistics and settlement

Producers pay for the services of the marketing arm that they utilize.

All of the universal services are important and must be funded by all segments of pork production.

*Table 15*

**Policy Statement**

Concern – the marketing arm of OP may not remain viable. Need checks and balances so not to revert back to 50 years ago. May open up niche markets.

Ontario pork markets + or – 20 % on open market now and can't guarantee quality.

Need a seamless transition.

Security of payment – need to come up with a bridging process to get packers and stockyard act in places

**Mandatory Price Reporting**

John Bancroft report valuable. Farm products gave OP the right to collect price info.

Price should be gathered from processors.

Try to convince OMAFRA to do this function.

Need to collect more data than we do now.

Need to make sure we have power from FPMC to collect prices and data (price and volume)

Need to have ability to appoint someone or some entity to do this.

Need to figure out if early weans can be covered.

**Universal Services**

Why can't we leave the status quo?

Really need to know costs before deciding

These services were rated 'high' – 1, 2, 11 (farmed out), and 12

These services were rated 'low' – 4, 5 (already spun off),

Download to CPC 9 and 10

**Marketing**

We have 65% consensus supporting the direction proposed.

New direction cannot overlook the importance of the following:

- 1) checks and balances to ensure we don't revert back to the 50s
- 2) seamless transition to handle security of payment
- 3) protocols and ethics for sales agents

#### Mandatory Price Reporting

We believe there must be mandatory price reporting and we should attempt to download this to government

#### Universal Services

Our group rated these universal services and determined that some should be combined, some should be farmed out, and some should be supported by OP.

### Market Renewal Structure

#### *Table 2*

##### **Policy Statement**

What is the main problem? Too many unknowns at this time. Options to consider: need to increase consumer demand for pork and drive out costs in system.

- (1) investigate or encourage producer group to buy Maple Leaf plant . Have producers form alliance with the workers or work with another processor (e.g. 3P, Quality)
- (2) evolution of HIAC into Value Chain Council – over time, when time is right
- (3) Develop exit strategy to use if needed i.e. if processing capacity goes down

Is another Council needed? , are resources better spent elsewhere?

Government help needed – pitch as innovation project.

Board to provide seed money and encouragement only.

Market Renewal is lower priority for Ontario Pork and producers at this time. Unknowns include: sale or closure of Maple Leaf, impact of COOL, financial situation of producers.

#### *Table 3*

##### **Policy Statement**

Table 3 feels positive about the formation of a Supply Chain Council.

There needs to be a “staff” (not Ontario Pork) person to co-ordinate/administer this Council.

Table 3 would like to see some of the research and development go towards this.

Table 3 feels the Exit Strategy will look after itself.

#### *Table 4*

##### **Policy Statement**

We are generally supportive (6 yes/2 no) of pursuing a direction to match capacity to production by utilizing an Advisory Group Council to take the lead to pursue accessing funds provided minimal input to capture government funds.

Processors would access the program (90% cost ratio) probably to take the program as a proactive approach to deal with capacity.

Processors would probably utilize funds with decent design and accountability.

We are supportive of an exit strategy with SUFFICIENT incentives to leave the industry (\$1000/sow) and to guarantee production levels (static)

*Table 5*

**Policy Statement**

Table 5 would like a more defined role for a Supply Chain Council before further investment is made.

Until Ontario Pork's marketing environment is clarified, the Market Renewal Strategy should be put on hold.

The timelines from the FPMC make it prohibitive.

The strategy should focus on ensuring a smooth transition to support the sale of Maple Leaf.

The government needs to be prepared to fund the changes required by CFIA to the transition of ownership.

*Table 7*

**Policy Statement**

Table 7 supports development of a Supply Chain provided its value is re-assessed.

The committee needs to consist of the "right" people.

We support work on an exit strategy that would put meat into the system through the use of local abattoirs.

A sow cull program should not resemble the Federal Program that upsets consumers.

We support working with processors to develop efficiencies.

*Table 8*

**Policy Statement**

Table 8 supports supply chain coordination but not necessarily for Ontario Pork to do it.

Might work for a percent of production

It would be duplication

It only works if there is a commitment and improves efficiency and communication

There is a need to develop an exit strategy with the government now, not just in case of a plant closure but also FAD concerns.

Maybe government funding for producer to exit or for viability if remaining producers.

*Table 9*

**Policy Statement**

Table 9 does not support the supply chain council as presented.

In order to make fundamental change, government needs to be represented. I.e. paying for graders harmonizing of regulations with competitors

Supply chain needs a transparent cost/profit model.

Need a political change of mind to support supplying the domestic market.

Need to regain and protect domestic markets.

Consumer education needs to drive the market and we need to educate politicians.

We need to push a "Canadian label"

*Table 10*

**Policy Statement**

Table 10 does not feel the Ontario Pork Organization (2009) should initiate a strategy.

It is up to the processors to come to Ontario Pork with a sound viable business plan.

Then Ontario Pork would be open to working together. (Special project funded)

If Maple Leaf closes, Ontario Pork should lobby the United States to discuss a period of non-countervailable measures.

Can Ontario Pork negotiate with the United States on COOL Regulation for 3-6 months?

If an exit strategy is proposed it needs to be lucrative.  
Table 10 would only support the idea of a Board Member sitting on a “Supply Chain” committee if there are no additional costs to producers.

*Table 11*

**Policy Statement**

Table 11 sees limited benefit of a Supply Chain Council because many organizations are in a better position to drive out costs and promote branding.

*Table 12*

**Policy Statement**

Table 12 producers DO NOT support the concept of a supply chain council as it will fail to add value to producers.

Any added value will remain with whoever adds the value.

Ontario Pork should be involved in the creation of an exit strategy in case the province loses processing capacity.

Ontario Pork should also do what it can to encourage expansion of existing processors to incrementally limit the reduction in capacity if Maple Leaf Foods closes.

*Table 13*

**Policy Statement**

Table 13 feels that a Supply Chain Council is not an effective business technique at an industry level.

However, Ontario should pursue value-added markets and can compete with commodity suppliers.

Our priorities are product development, differentiation, and relationship building.

*Table 14*

**Policy Statement**

This table has decided to let market forces decide on an exit strategy.

We believe supply chain coordination should:

- Impose tariffs on subsidized Quebec Pork
- Have an Ontario Pork Supply Chain council
- Try to achieve better cooperation between producers and processors

Ontario Pork should take steps to regain shelf space for domestic production.

*Table 15*

**Policy Statement**

Table 15 supports Ontario Pork’s Policy direction with the following provisions:

The Supply Chain Council has merit in benefitting the entire Ontario Pork Chain.

It is critical that all parties be committed to the Council.

It is important for Ontario Pork to assist with accessing funds for processors in Ontario.

Ontario Pork’s job should be to help facilitate a process if there is an interested party.

Ontario Pork needs to be prepared with a program, but should not spend too much time and effort unless opportunity arises.

Another vote for Ontario Pork is to lobby the government for funding.

In regards to the exit strategy, Ontario Pork needs to be prepared with an exit strategy program.

Part of this would include funding from the government to assist with the transition.