



Canadian Hog Industry Considers Future Competitiveness of Export Sector

FOR IMMEDIATE RELEASE

November 16, 2006

(Ottawa, ON) – A new report by the George Morris Centre, an independent economic research organization, confirms that the Canadian pork export business has been a true success story. Over the past ten years, the Canadian hog industry has grown a vital and thriving pork export business, and now ships to over 100 countries around the world. In fact, Canada broke new export records in 2005, selling over a million tonnes of pork to its global customers, at a value of \$2.8 billion.

However, despite the report's good news, the hog industry is concerned about its future success, in the wake of the strengthening Canadian dollar, and recent restructuring announcements in the meat processing industry.

“There is no question about it. The success of our pork export industry over the past decade can't be denied. Currently, 55-60% of all the pork we produce is sold outside of Canada,” says Mr. Clare Schlegel, President of the Canadian Pork Council (CPC). “But, we can not assume this will continue without a favourable business climate for hog production *and* processing in Canada.”

As an export-dependant sector, the rapid appreciation of the Canadian dollar has had a wrenching impact on the hog and pork industry. Hog production has gone into decline for the first time in a dozen years. Major packers have announced their intentions to significantly downsize or restructure their operations.

That's a huge concern for hog producers, but more than that, for the hundreds of communities and thousands of workers across Canada that depend on the industry for its livelihood.

“We are now one of the top pork exporters in the world. Our country's 12,000 hog producers have earned a reputation worldwide for producing a safe, high-quality product. But, we need to be flexible and realistic about our business,” Mr. Schlegel continues. “Whether we're talking about the live animals that we export, or our pork products, we need to take another look at the way we do business in order to maintain our competitiveness, and adapt to the dramatic and almost weekly changes occurring within our industry.”

“Hog producers everywhere are considering the conditions under which they can continue to raise pigs, and the processing sector can successfully continue to operate,” adds Mr. Schlegel. “It's a forward-thinking approach in the Canadian hog sector that will enable us to continue our role as global leaders in the pork industry.” Industry competitiveness will be a focal point of an upcoming Board of Directors meeting in late November.

The George Morris Centre's report can be viewed at www.georgemorris.org .

The Canadian Pork Council is the national association representing the interests of Canada's hog producers.

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