



October 20, 2004

ADVICE TO CANADIAN PORK PRODUCERS

While the Canadian industry continues to challenge the preliminary antidumping duties recently imposed by the U.S. Department of Commerce on Canadian exports of live swine, Canadian swine exporters would be well advised to take a few basic steps in order to effectively manage the impact of this challenge on their operations. The Canadian Pork Council acknowledges the contributions of Manitoba Pork Council and Ontario Pork in the preparation of this advisory.

1. Work with financial institutions

The Canadian Pork Council continues to regularly brief officials from the banks and credit unions on the status of the trade challenge and to urge them to deal with their clients in a flexible manner. Individual farmers, if they have not done so already, are advised to ensure that officials in the local office of the financial institutions they deal with are aware of any short-term challenges they may be facing as a result of the establishment of preliminary antidumping duties.

2. Retain ownership of exported animals

The “importer of record” has to make the duty deposit. Furthermore, if the importer and producer are not the same the importer should not be reimbursed for the duty by the producer (or exporter), as this would increase the dumping margin, under U.S. law.

The “importer of record” is the person or company listed in the U.S. Customs import document. (For an example of a U.S. Customs import form, please go to <https://forms.customs.gov/customsrf/getformharness.asp?formName=cf-3461-form.xft>) It is not necessarily the U.S. customer (or the “ultimate consignee”). In most cases involving Canadian exports actually, the importer of record is the same as the exporter.

Therefore, it is important that individual farmers retain ownership of animals being exported until the U.S. purchaser takes possession in order to ensure that it is the farmer and not his/her livestock broker who receives any refunded duties if the U.S. International Trade Commission rules in Canada's favour regarding injury in the spring of 2005.

3. Consult with your customs broker regarding duty payments

Producers should consult with their individual customs brokers to determine the best option for them in dealing with the preliminary duty – some farmers may wish to simply post a bond, for others the best option may be to make a cash payment.

4. Take advantage of free advisory services available to all farmers under the APF

Under the Agricultural Policy Framework (APF) the Government of Canada and provincial governments have established the Canadian Farm Business Advisory Services (CFABS). Farmers making use of the program are offered a free initial consultation and eligible producers can then take advantage of up to five days' worth of consultation services valued at \$2000 under the Farm Business Assessment (FBA) program – three days of Farm Financial Assessment consulting followed by two days of developing a written Action Plan. The producer pays a nominal fee of \$100 and can select either a private or public sector consultant; however, the provincial government will waive the \$100 fee if a public sector consultant is chosen.

More information on the CFABS can be obtained by calling 1-866-452-5558, or from the federal website at (English) www.agr.gc.ca/ren/cfbas/consult_e.cfm or (French) www.agr.gc.ca/ren/cfbas/consult_f.cfm

5. Work smart and remain compliant

The CPC is very hopeful that the International Trade Commission will next April determine that swine imports from Canada are not causing, nor threatening to cause, material injury to the U.S. industry. This would terminate the investigation as well as any duty deposit requirements. In the meantime it is important that Canadian hog farmers continue to work smart, follow all laws, rules, regulations and guidelines, and maintain confidence in the value of their work and the efficiencies and natural advantages of pig farming in Canada.