



Canadian Pork Council  
Conseil canadien du porc

**Canada's pork sector is agriculture's diversified sector.**  
Located from coast to coast, 7,000 farm families produce pork on farms of all shapes and sizes.

Canada's pork producers are at the start of a value chain that provides more than 100,000 jobs and \$23.8 billion to the economy.

Pork is processed into a variety of food and goods at facilities that provide tens of thousands of Canadians with reliable jobs.

Canadian pork is a high-quality, affordable protein that is in demand in Canada and exported to 100 countries.

## Fixing AgriStability

As Canada recovers from COVID-19, pork producers can help lead growth and recovery. However, they face increasing volatility and risk due to COVID-19 and cannot stay in business without a backstop that works.

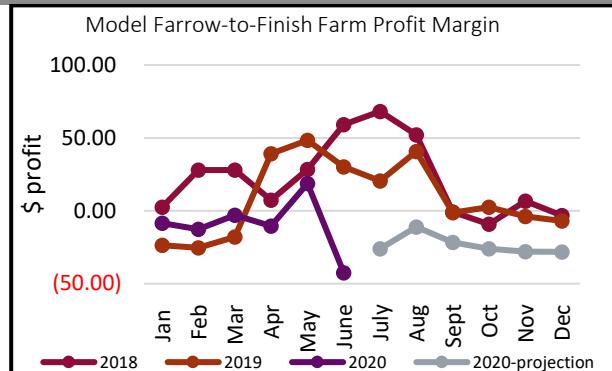
*AgriStability needs to be fixed so farmers have the support they need when they need it most.*

### The volatility and risks producers face are increasing

- Most Canadian hogs are sold based on a US price which means Canadian producers feel the pain in the US market without the same level of support from government.
- The China/US trade war, a rapid expansion of the US hog herd and the loss of Canadian exports to China in 2019 and 2020 have all driven the price down.
- US farmers have received ad hoc payments worth between \$10 and \$45/hog per year over the last 3 years.

### COVID-19 made a bad situation worse

- Price increases due to panic buying were quickly replaced by some of the deepest, fastest declines as the economy shutdown.
- Prices for live hogs are the same they were 10 years ago, but processors are paid almost double for pork.
- Losses are expected to be up to \$30 for every hog sold in 2020.
- That means producers will lose \$500 million in 2020, and losses will continue into 2021.



### Producers are feeling the pain

A survey of producers conducted by the CPC revealed that:

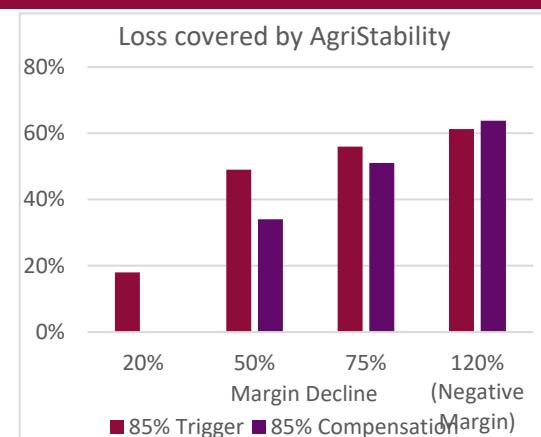
- More than 40% have considered leaving the pork sector early because of COVID-19.
- More than half will need more than a year to recover.
- Most say they need assistance of \$20/hog or more to help with the losses they are facing.

### **Something needs to change**

- COVID-19 has shown that AgriStability is not providing enough support when farmers face significant loss, but it can be fixed.
- Canadian farmers also have to compete with a flood of cheap US food that is subsidized by massive US farm bailouts.
- Producers will only stay in business if they know there is a backstop when losses are beyond their control.
- If Canadian producers cut back food production due to the volatility and risk, the impacts on food security, rural economies and the hundreds of thousands of Canadians employed in the sector would be severe.

### **Fixing AgriStability is part of the solution.**

- AgriStability is supposed to pay when farmers need it, but it is too little too late.
- Either of the two fixes can help get farmers the support they need, when they need it most.
  - Increase the payment trigger to 85%
  - Increase the payment rate to 85%
- Payment caps also need to increase, to keep pace with the increasing costs farmers are facing.
- Removing Reference Margin Limiting is not enough and does nothing for pork producers.



**Governments need to increase the payment rate or trigger to 85% and increase payment caps.**

### **The benefits of a fix are broad**

- Pork producers get the backstop they need to stay in business and continue to be an important part of Canada's national fabric from coast to coast.
- Fixing AgriStability means that pork producers can grow and invest, driving the post-pandemic recovery the country needs.
- The need for fiscal responsibility is balanced with the responsibility to protect Canada's food supply, rural communities and the tens of thousands of jobs that depend on farmers.
- AgriStability is maintained as a disaster protection program that respects Canada's international obligations.

### **For more information:**

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