



Canadian Pork Council
Conseil canadien du porc

Pork Producers to Study Forward Pricing Programs as a Business Risk Management Tool

July 10, 2015 (Ottawa) The Canadian Pork Council (CPC) welcomed today's announcement by the Chair of the Standing Committee on Agriculture and Member of Parliament for Lambton--Kent—Middlesex, Bev Shipley. Mr Shipley on behalf of the Honourable Gerry Ritz, Minister of Agriculture and Agri-Food Canada announced funding for the Council's project titled "Pork Industry Hedging Program Analysis" under the AgriRisk Initiatives – R&D stream. CPC's Vice-Chair, Bill Wymenga joined Bev Shipley at Ontario Pork's office in Guelph Ontario for the event.

"Hog producers face a combination of production, market and financial risks that can undermine the success of a farm without a range of risk management tools and strategies. This project will explore the feasibility of a program that can mitigate the risk of margin calls so that hedging becomes a useful and used business risk management tool," stated CPC Vice-Chair Bill Wymenga.

While currently producers have access to hedging on the futures market, there are barriers to them doing so. This project will gather statistics regarding current forward pricing program opportunities in various markets in Canada and the anticipated demand for a program. CPC in partnership with its provincial members, hope to gain a greater insight into why Canadian farmers utilize hedging and other risk management strategies to a lesser extent than their US counterparts. The project's objective is develop a structure for a program to mitigate the risk of margin calls that would complement existing risk management tools.

"I am pleased to see this project moving forward given the cyclical nature of hog markets," added CPC's Chair Rick Bergmann. "Developing and having producers' employ effective risk management has long been a topic of interest and priority for governments and the hog industry."

The CPC serves as the national voice for hog producers in Canada. A federation of nine provincial pork industry associations, the organization's purpose is to play a leadership role in achieving and maintaining a dynamic and prosperous Canadian pork sector.

Media Contact:
Gary Stordy
Public Relations Manager
Canadian Pork Council
(t) (613) 236-9239 ext 277