



Canadian Pork Council
Conseil canadien du porc

29 octobre 2020

The Right Honourable
Justin Trudeau
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister,

I am writing to you on behalf of 7,000 farm families producing pork in Canada to urge you to work with the Premiers, Minister Bibeau and her counterparts to fix AgriStability. Pork producers face unprecedented risk and volatility because of factors outside their control, including COVID-19 and disruptions to the global rules-based trading system. They need reassurance that there will be there with a backstop that works so they can continue to produce the high-quality, affordable protein that feeds Canadian families and drives the economy in rural communities from coast to coast.

COVID-19 has had a devastating impact on our sector, a sector that contributes more than \$24 billion to Canada's GDP and exports more than \$4 billion to 100 markets around the world. Pork producers have had to deal with extreme price fluctuations including some of the most profound price declines in history, border closures, and processing plant shutdowns. Producers now expect to lose more than \$20 on every hog they sell in 2020. Those losses will total more than \$500 million across Canada.

The impact on pork producers has been severe. A survey of pork producers conducted over the summer revealed that more than 40% have considered leaving the sector early because of COVID-19 and that more than half will take more than a year to recover. As COVID-19 continues, those numbers climb higher, as does the likelihood that losses will force farmers out of business. The potential impacts on rural communities, mental health and food security are severely at risk.

Your government has delivered innovative new programs to support Canadians and businesses through the pandemic and its economic fallout. However, the costs of operating a farm

business mean that those programs do not offer the same support for farmers. For example, the CEBA loan only pays the feed bill for 2.5 weeks on the average hog farm, and CEWS helps, but wages only represent 8.5% of average expenses.

While other business can rely on the COVID support programs, farmers are left with a broken program. What producers need to stay in business is a backstop when they face a significant loss. AgriStability is supposed to be that program, however, after a series of cuts made almost ten years ago the support farmers get is too little. For more than eight years farmers have been calling on governments to fix AgriStability, but factors including divisions at the FPT table have prevented that from happening, but we can no longer afford inaction on this important issue.

Your government can finally fix AgriStability so that farmers have a backstop that works. The need for it has never been greater. It is imperative that Ministers of Agriculture either increase the payment trigger or increase the payment rate and raise the payment caps when they meet at the end of November.

The benefits of fixing AgriStability go beyond helping pork producers survive COVID-19. Fixing AgriStability will also protect tens of thousands good-paying jobs that rely on producers, support rural communities, and ensure families across the country will still have ready access to high-quality, affordable, Canadian food.

Finally, I would like to recognize the hard work Minister Bibeau is doing to find a solution to this challenging issue. Your 2019 platform committed to a review of risk management programs and a commitment to “increase federal support to pork producers to help them manage risks beyond their control.” Our hope is that her hard work, and your clear commitment can now turn into results.

Sincerely,

A handwritten signature in black ink that reads "Rick Bergmann". The signature is written in a cursive, flowing style.

Rick Bergmann
Chair of the Canadian Pork Council's Board of Directors

CC: Hon. Marie-Claude Bibeau
Hon. Chrystia Freeland