



Canadian Pork Council
Conseil canadien du porc

If there is a Trans-Pacific Partnership, Canada needs to Be Part of it

May 25, 2015 (Ottawa, ON) – The Canadian Pork Council (CPC) has released a report outlining the impact a Trans-Pacific Partnership (TPP) will have on Canada’s pork industry. *Potential Implications of a Trans-Pacific Partnership for the Canadian Pork Industry*, prepared by Kevin Grier of Kevin Grier Market Analysis and Consulting Inc., illustrates the importance of pork exports to the Canadian economy, with a particular emphasis on exports to Japan, and demonstrates the impacts of Canada being a successful member in the TPP.

“The report released today offers two scenarios: one that includes Canada in the agreement and one that does not,” says CPC’s chair Rick Bergmann. “Being part of the agreement with the other 11 TPP countries could see a rapid increase in exports to Japan and or open access to other export markets.

“In the event Canada is not part of the TPP agreement,” Bergmann continues, “pork producers would see a significant decline in the value of their pigs and the Canadian pork sector could see, in short order, a decline of almost 40% in the volume of pork exports to Japan.”

“Canada needs to be engaged in these TPP negotiation in order to be part of a comprehensive deal that would increase trade opportunities for the pork sector,” added Bergmann

The report confirms that:

- Canada’s pork exports to Japan in 2014 approached \$1 billion.
- Overall, pork exports are well over 60% of Canada’s total pork production and 65% of those exports are to TPP countries.
- Canadian pork exports create 46,000 jobs for farmers, processors and agricultural suppliers, roughly the population of Brandon, Manitoba. Gross output generated \$11 billion.
- Pork is a premium product in Japan and sells for twice the price per kilogram than in Canada. There is no more important market for Canadian pork exports than Japan.

The CPC has been involved in TPP negotiations for several years and strongly believes a signed agreement that includes Canada will help secure a bright future for Canada’s pork industry.

“The Canadian pork industry has real experience with what it is like when your competitors achieve preferred terms of access through trade deals. When the United States achieved a free trade agreement with South Korea before Canada, Canadian pork exports to Korea plummeted by more than two-thirds, or \$170 million’ in just two years”, added Mr. Bergmann, “and Japan is a far larger market for us than South Korea has ever been”.

“Other markets cannot make up the loss of Japan as a market,” Bergmann says. “Yes, product likely could be diverted to other markets for a time, but the value of Canadian pork in Japan is so much higher than most other markets that returns to Canadian pork producers and exporters would greatly decline and the economic viability of the industry would be severely impacted.”

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.

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