

AS THE 2019 FEDERAL ELECTION APPROACHES, YOU CAN HELP SHINE LIGHT ON THE CANADIAN PORK INDUSTRY'S 5 PRIORITIES

As a pork producer, you are the most reliable expert on what is needed to further strengthen your farm and the pork industry. Community members, business leaders and elected officials will only know and understand the issues affecting the pork industry and the community you live in through your communication efforts. **The five federal election priorities outlined in this document have been chosen by CPC's board of directors based on consultation with your fellow producers.**

We encourage you to use this information when speaking with candidates leading up to the October 21 federal election. The time for this is now and collectively we can be a strong voice across our provinces.

- Rick Bergmann, Canadian Pork Council Chair

1 CREATE A STRATEGIC INVESTMENT PROGRAM

The ongoing impact of the 2018 US-China trade war and the 2019 suspension of Canadian pork exports to China resulted in a market plagued by uncertainty and lower prices.

Canadian pork is part of an integrated market and the price producers receive has been—and is still—suppressed due to the impact of Chinese tariffs on US pork. In the third quarter of 2018, this resulted in an unexpected loss of over \$120 million for Canadian producers. The situation was made worse by the June 2019, suspension of Canadian pork exports to China which is costing the industry over \$10 million dollars a week.

The United States government understands the trade war has a significant negative impact. In response, two separate, multi-billion-dollar support programs were announced to help producers.

The Chinese tariffs have also resulted in increased demand for European pork, e.i. European producer prices are rising.

Compounding the problem, Canadian pork producers are now forced to compete for inputs against dairy producers who benefit from direct Government of Canada payments.

Producers have not benefited from higher prices or from government financial support. Their competitive position is being eroded and they are at risk of being forced out of business.

Canadian hog producers ask that the next federal government establish a \$265 million strategic investment program to address this competitive imbalance.



2 MAINTAIN COMPETITIVE ACCESS TO MARKETS AND FURTHER DEVELOP TRADE

- The Canadian pork industry contributes over 100K jobs and \$23.8 billion to the economy.
- Trade matters to our industry - 70% of the Canadian production is exported and 30% of domestic consumption is imported.
- Maintaining competitive access to existing markets and further developing trade with Asian regions is critical to the growth of the Canadian pork industry.

Canadian hog producers are calling on the Canadian government to maintain competitive access to markets and further develop trade with Asian regions that are critical to the growth of the industry.

CANADIAN PORK PRODUCER'S FOUR PRIORITIES FOR THE 2019 ELECTIONS

CONTINUED

3 FUND AFRICAN SWINE FEVER (ASF) PREVENTION AND PREPAREDNESS ACTIVITIES

The pork industry appreciates the federal and provincial governments' actions to prevent African swine fever from impacting the industry.

Pork producers already heavily invest in traceability, biosecurity, extension and research.

Should ASF be detected in Canada, we can expect:

- The loss of export markets which account for 70% of pork sales
- A crippled \$24 billion sector
- An estimated economic impact of \$50 billion dollars on the Canadian economy
- A major impact on Canadian pork's reputation

Producers are asking for continued collaboration and multi-year funding from the federal government to address four ASF priorities:

- **Wild pig eradication** - Wild pigs host and spread diseases, putting the industry at risk
- **On-Farm and Global Point of Entry Biosecurity** Actions by the government to ensure the disease doesn't enter Canada are essential to safeguard the industry.
- **Traceability improvements** - Traceability is the foundation that allows the establishment of disease-free zones. An enhanced traceability program will allow better control of emerging disease, the prevention of further spread and faster recovery.
- **Public awareness** - Everyone must do their part to prevent ASF from being introduced in Canada and understand the impacts if it ever is.



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The **Canadian Pork Council** is the national voice for hog producers in Canada. A federation of nine provincial pork industry associations representing 7,000 farms, the organization plays a leadership role in achieving and maintaining a dynamic and prosperous Canadian pork sector.

4 DELIVER EFFECTIVE BUSINESS RISK MANAGEMENT PROGRAMMING

The business risk management suite of programs is not working.

- It is not equitable for hog producers. Almost 50% of funds are spent on crop insurance. A corresponding mortality insurance program for livestock is unavailable.
- It does not help manage the extreme volatility facing the pork sector.
- Payment caps do not reflect the scale of commercial hog farms. For example, the \$10,000 cap under AgrilInvest represents less than 3 days of feed costs for a 600 sow, farrow to finish farm.
- An insistence on cost neutrality has limited governments' ability to improve the existing suite.

Canadian hog producers are calling on Federal and Provincial governments to deliver effective BRM programming for hog producers.

5 ESTABLISH A CANADIAN PORK PROMOTION RESEARCH AGENCY

- The federal government's inaction on this file for the past three years is incredibly frustrating.
- The proposed PRA has broad domestic support from producers that already fund an extensive series of research and market development activities.
- Canada's beef industry has had a check-off program since 2002. Dairy producers, and all the other supply management commodities, include their research and promotion costs in their cost of production formulas.
- The American industry placed a levy on pork imports in 1985. Canadian producers have been making an annual contribution in excess of \$6.5 million to improve the competitive position of the US industry.

Producers are asking for the federal government to establish a Canadian pork promotion research agency.

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