Canadian Hog JOURNAL
Canada's national hog magazine

Canada's top producer-focused swine industry publication since 1972. Covering news, commentary, events and research in five editions annually.

Volume 44 | Number 5

Spring 2023

Date of Issue: May 2023

Published by Alberta Pork with cooperation from producers and partners across Canada.

Publisher
Darcy Fitzgerald

Editor
Andrew Heck

Subscriptions & advertising
For all inquiries

Email: andrew.heck@albertapork.com
Phone: 780-491-3527

Publications Mail Agreement
No. 40062769

Return undeliverable addresses to:
Alberta Pork
4828 - 89 Street NW
Edmonton, AB, Canada T6E 5K1

Cover Photo
Pork picnics for sale at a grocery store

Message from the editor

The Spring 2023 edition of the Canadian Hog Journal is here!

Like most Canadians, my grocery bills are eating up more of my income, but I have to wonder where the money's going. Producers can certainly tell, it's not going to them. Consumers, too, are questioning the cost of food, and they're right to be concerned. While pork remains refreshingly affordable, achieving a greater understanding of how costs and profits are distributed across the agri-food value chain is key to levelling the playing field for everyone.

Though value chain disparities certainly exist, it is in the entire industry's best interest to work collaboratively to continue promoting pork. While the benefits of promotion are widespread, veteran ag journalist Will Verboven believes producers have the most at stake.

When it comes to analyzing the economics of agricultural commodities, not all products are equal, either. Supply management has been a boon for producers of dairy, eggs and poultry. Politically, it is one of the few issues on which all federal parties are in total agreement: *supply management must be defended!* But has this unwavering support for the system, favouring some commodities over others, come at the expense of trade relationships for the red meat sector? Canadian Agri-Food Trade Alliance (CAFTA) boss Dan Darling thinks so.

The federal government has also been aggressive in pushing its idea about sustainability in agriculture. This spring, the government said, "We want to hear from you!" when it comes to "a roadmap to meet our environment and climate goals." During multiple consultation sessions, they heard, but are they listening? The Canadian Pork Council's (CPC) policy expert, Katerina Kolemishevska – who provided critical, informed contributions to those discussions – weighs in.

The Canadian Meat Council's (CMC) government relations manager, Lauren Martin, has been blazing a trail and meeting with a lot of important people since coming on board less than a year ago, trying to get political buy-in for meatpackers. Reflecting back on Canada Pork's Annual Conference – joining representatives from pig production and pork processing – she offers her thoughts on the big picture.

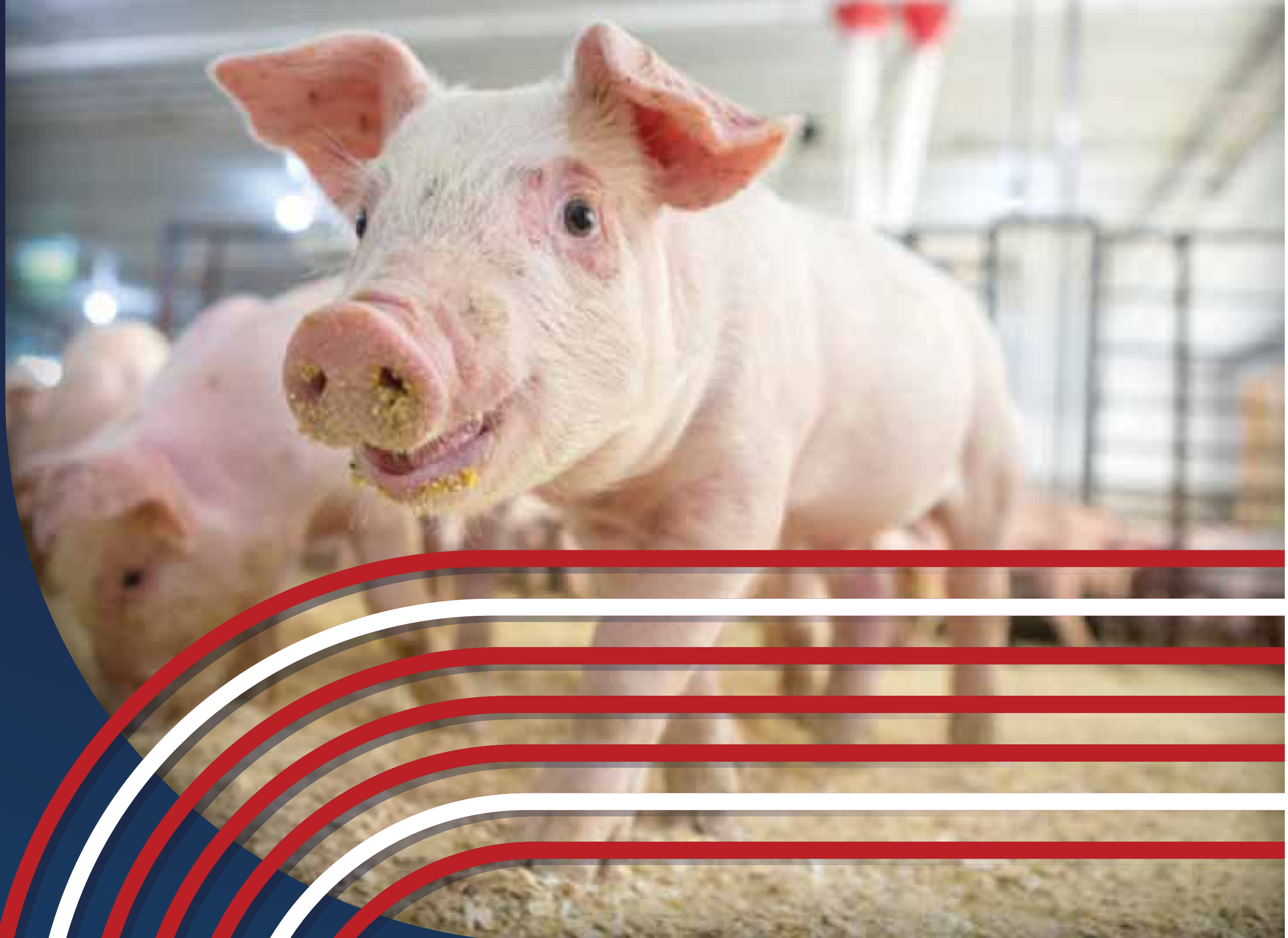
Research in this edition is all about feeding weaners, including the effects of using high levels of zinc oxide and strategies to effectively encourage growth. Consider how these topics affect your production.

Going to World Pork Expo in June? The Canadian Hog Journal has a media partnership with the show, and I will be there. The organizers have graciously given me a free admission promo code to provide to readers, so if you are planning to go, let me know, and I will gladly send that to you by email. If you aren't going, don't miss the coverage in our next edition!

Your questions and comments – whether supportive or critical – are always welcome by contacting *andrew.heck@albertapork.com*. Healthy discourse requires diverse opinions and speaking up, which is why I want you to 'follow' the Canadian Hog Journal on Facebook and Twitter (*@HogJournal*) and take part in advocating for our sector, relying on your experience and expertise. ■

Andrew Heck

Andrew Heck



2023

WORLD PORK EXPO®

35 YEARS OF EDUCATION, INNOVATION, AND NETWORKING

JUNE 7–9 • DES MOINES, IA

REGISTER NOW AT WORLDPORK.ORG

#WPX23

BROUGHT TO YOU BY:

National Pork Producers Council™

Consumers hungry for food price answers

Andrew Heck

Most food categories at retail in Canada have shot up over the past two years. Pork is a notable exception, but many of the same challenges that exist with other products impact the pork value chain just the same.

Canadian consumers are demanding an explanation for the sticker shock they are experiencing at the grocery store.

In July 2022, general inflation in Canada was close to eight per cent – a four-decade high – cooling down to below five per cent in April 2023 and expected to move lower yet heading into 2024. Food price inflation, however, has continued to hover around 10 per cent for about a year. Even as general inflation eases, food price inflation does not appear to have followed suit.

Coincidentally, in the past year, profit margins for Canada's major grocers were upwards of 10 per cent. Meanwhile, on the side of food production and processing, higher input costs, lower commodity prices and other factors have spelled negative margins for hog farmers and meatpackers.

When it comes to explaining why Canadians' grocery bills are so steep, little of substance has been provided by those who know why or have the ability to do something about it. Grocery executives continue to pay themselves generously while shoppers watch their weekly bills get bigger. While it is impossible to offer a comprehensive explanation for all food categories, which stakeholders are making the most off struggling consumers?

Producers, processors and retailers are all within their rights to concern themselves with their bottom lines. Capitalism, at the end of the day, still reigns supreme in all parts of the value chain, just as in most sectors of our economy. While profit motive undoubtedly belongs in the equation, it would be inaccurate to suggest all stakeholders have been raking in the dough. The closer you look, the more obvious it becomes.

In the Canadian pork value chain, for years, producers and now processors have seemed to absorb a greater proportion of the mounting costs that retailers are able to recoup simply by charging more for their goods. As Canada's grocery sector has steadily moved in the direction of oligopoly – with fewer and fewer legitimate choices – has big business finally reached a tipping point when it comes to providing essential food products and services, fairly, for Canadians?

As time goes on, consumers are rapidly losing faith in the belief that the cutthroat practices of large-scale supermarkets are leading to greater purchasing power for them. Certainly, the data – or lack of transparency around it – is making the disparity plain to see.

Grocers garner harsh criticism

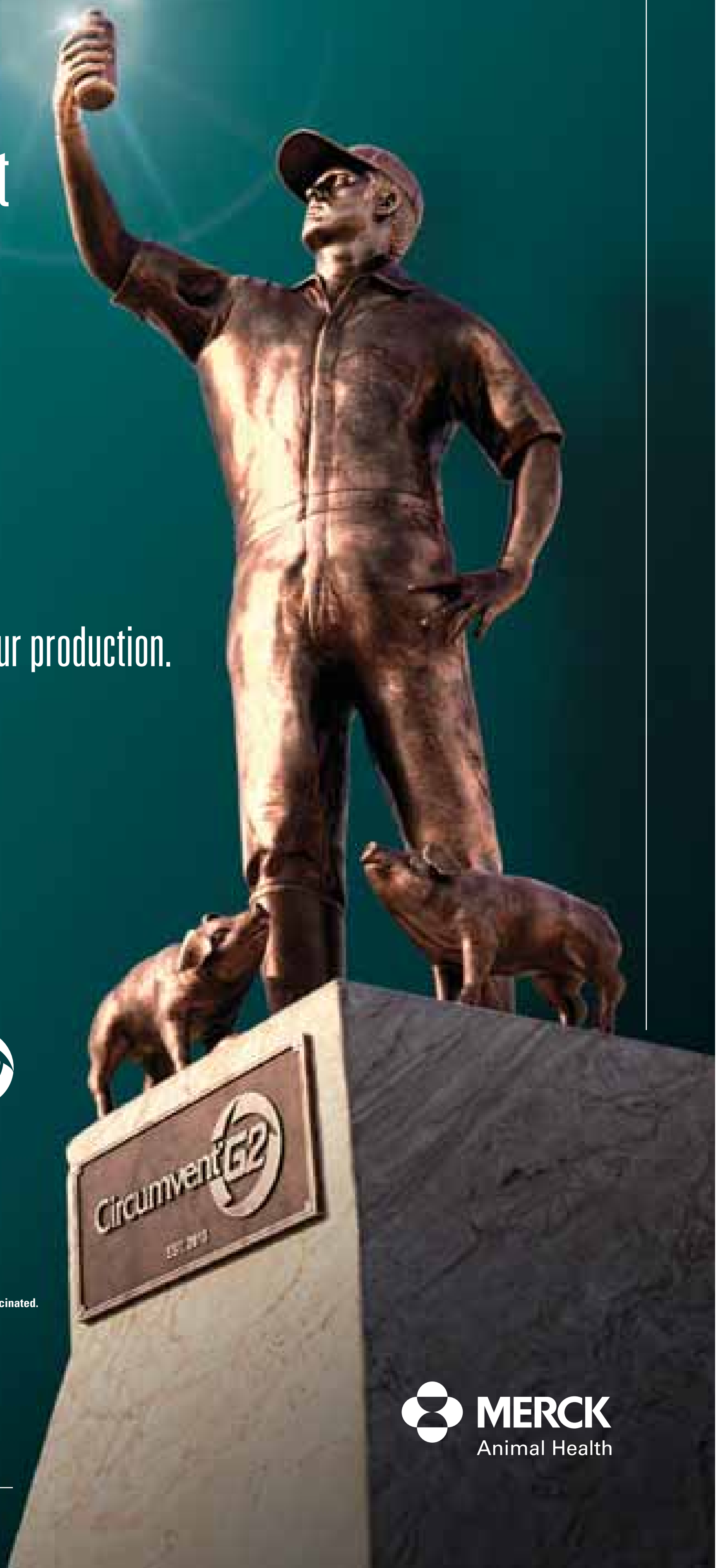
Starting from the most visible part of the agri-food value chain, grocery stores were once trusted as ethical, people-minded enterprises that play a crucial role in any community. While at least part of that assumption remains true, skepticism has become a popular perspective.

When COVID-19 struck in early 2020, short-term losses for grocers quickly mounted, in response to gathering restrictions imposed by government and a need for physical distancing, masking and sanitation. As grocery employees were considered essential frontline works, several grocers began offering 'hero pay' to recognize and retain employees. At the time, it was surmised these necessary adaptations could account for immediate food price increases. While reasonable-sounding, pandemic living eventually became the norm. With restrictions already well-established, employee incentives were taken away, but prices kept climbing.

Executives from Canada's three largest grocers – Loblaw Companies Ltd., Empire Company Ltd. and Metro Inc. – were summoned before the House of Commons Standing Committee

CONTINUED ON PAGE 8

Grocery chain bosses were called upon to justify their business practices against growing accusations of profiteering amid soaring food price inflation, sometimes called 'greedflation.'



on Agriculture and Agri-Food in early March to clarify the connection between food prices and corporate profits.

Those questioned included Galen Weston Jr., Chairman & President, Loblaw, with more than 2,400 stores in all provinces, including Real Canadian Superstore, No Frills, Zehrs and Provigo; Michael Medline, President & CEO, Empire, with more than 1,500 stores in all provinces, including Sobeys, Canada Safeway, Thrifty Foods and Longo's; and Eric La Flèche, President & CEO, Metro, with nearly 1,000 namesake, Super-C, Food Basics and Marché Ami stores in Quebec and Ontario.

The committee wanted to find out whether current grocery prices equitably reflect the supply chain challenges that have cropped up since the start of COVID-19, when inflation and grocery revenue began to grow in step with each other.

When asked about his company, Weston used the example of a $25 grocery spend and suggested that $24 of that total amount represents accumulated supply costs, while only $1 represents profit for Loblaw.

"If we didn't raise retail prices as costs went up, the companies that we operate would disappear almost instantly," he said. "A hundred per cent of the profit in the food industry could go into lower food prices, and the price of the basket for that customer would still be 24 dollars."

When pressed further to elaborate on his reasoning, Weston doubled down on his analogy, effectively silencing any meaningful inquiry.

"This one dollar of the 25 dollars is what we're focused on, and all of this time, effort and exposition is focused on that amount," he said. "No matter what is there – and there isn't anything of significance there – that isn't going to change the cost of food."

When asked about Canada's incoming grocery code of conduct – which is expected to be in place soon – Weston insisted Loblaw already negotiates with suppliers cooperatively, despite instances of "bad judgment on both sides," referring to his company and manufacturers.

"We believe that we do business in a fair and transparent way 99 per cent of the time... It's really important that any code or any set of practices that we engage in are properly balanced," he said.

That one per cent discrepancy may have been a subtle reference to an earlier controversy that many Canadians will remember: in 2015, Loblaw sister company Weston Foods came under investigation by the Competition Bureau of Canada after being accused of colluding with Canada Bread as part of a price-fixing scheme that artificially inflated bread prices at retail for more than a decade. While the allegations were never proven in court, in 2018, Loblaw reacted by offering $25 gift cards for Canadians to use in its stores – a fitting and precedent-setting amount, foreshadowing the latest debacle.

In early April, just a month after the parliamentary hearing, Loblaw announced that Weston would receive a pay raise this year, based on last year's stellar performance. Not long after, the company announced it would commit $2 billion to open 38 new stores and renovate 600 others. Certainly, expansion, not stability, remains the dominant mindset for Loblaw, as the company battles with only a handful of others like Empire and Metro – not to mention Costco Canada and Walmart – for highly coveted market share.

Suppliers squashed in several ways

While grocers continue to triumph, in meatpacking, the situation is far less encouraging for business.

When it comes to pork processing, profits for meatpackers were healthy and improving in the years immediately preceding COVID-19, but since 2021, that relationship has worsened from growth, to stagnation, to deficit.

Factors such as reduced access to high-volume pork markets like China, coupled with difficulties around finding workers, have hammered at the earn-

CONTINUED ON PAGE 10

Canada's meatpackers have faced an ongoing list of problems in recent years, most of which are beyond their control. Others stem from unfortunate investments into expanding processing capacity or experimenting with non-meat products.

FOCUSED ON THE TRAITS THAT MATTER.

IT'S IN OUR DNA!

DNA LINE 600 DUROC

Experience nucleus-level results every single time. Our terminal DNA Line 600 packs a punch. We've taken an uncompromising approach in our selection process and vigorously targeted nursery gain by focusing on feed intake and feed efficiency. New premium traits are critical in the survivability of your pigs and herd's future.

There are many terminal Duroc lines in the marketplace today but none that compare to the DNA Line 600.

We can't blame the competition for trying. After all, imitation is the highest form of flattery.

DNA GENETICS

DNASwineGenetics.com

ings of Canada's largest pork processors, including Maple Leaf Foods, Olymel and HyLife.

Maple Leaf Foods reported its financials for the fourth quarter of 2022 in early March, including a loss of more than $40 million.

A cyber-attack led the list of problems, along with disruptions to the movement of pork and routinely poorly performing plant-based protein, from which the company has continued to lose money since it began investing in meat alternatives in 2017.

However, between 2021 and 2022, Maple Leaf's sales increased from $4.5 billion to $4.7 billion total. Adjusted earnings for the company's real meat category, while consistently positive, dipped from $527 million to $379 million, or by 28 per cent. Plant-based proteins managed to lose 17 per cent less, at only $105 million in the red, compared to $127 million the year prior.

Olymel, on the other hand, has faced a protracted series of disappointments in the past year. In November, the company announced the closure of its slaughter facility in St. Hyacinthe, Quebec. Then, in early February, the company closed two further processing plants in Blaineville and Laval, followed by an additional slaughter facility in Vallée-Jonction, in mid-April.

According to the company, "the decision was necessary to stop losses in the fresh pork sector, which have amounted to more than $400 million over the past two years and are jeopardizing the entire company's profitability."

In 2019, Olymel acquired rival brand F. Ménard for a handsome, undisclosed amount, consolidating a good chunk of the province's hog production, integrated with the company's existing pork processing capacities and related functions, like feed milling and trucking. It was expected that this decision would eventually pay off, but the unfortunate timing, occurring just prior to COVID-19, has proven daunting.

For HyLife, cracks have begun to show more recently, in early April, as the company has struggled to sell off its slaughter facility in Windom, Minnesota, originally purchased in 2020, right as COVID-19 had taken hold. The plant was acquired to increase overall capacity, in addition to HyLife's main plant in Neepawa, Manitoba.

A common domestic theme for all meatpackers has been a lengthy list of labour concerns. While HyLife never experienced any plant closures due to workers being infected with COVID-19, Maple Leaf's plant in Brandon, Manitoba; Olymel's plant in Red Deer, Alberta; and Conestoga Meats' producer-owned plant in Breslau, Ontario were all shuttered for several weeks due to outbreaks in 2020 and 2021, resulting in disruptions to the supply of pigs and pork.

During the plant outbreaks, at least one worker died as a direct result of contracting COVID-19, causing a news media stir and adding fuel to the fire for critics of the meat industry. On top of that, as temporary and permanent plant closures across the country have resulted in the laying-off of workers, labour rights advocates and unions have pressured governments to adopt stricter measures to protect workers. While the desire to support workers is entirely justified, there is no question the circumstances surrounding those outcries have had the effect of gradually chipping away at processor margins.

Given the examples of Maple Leaf, Olymel and HyLife, it is clear food suppliers have been under the gun more intensely in recent years. In some cases, companies' misfortunes have resulted from untimely or misguided business decisions, but in other cases, uncontrollable pandemic-related factors have taken a toll that has been felt at both ends of the value chain.

Pig and pork production absorb heavy blows

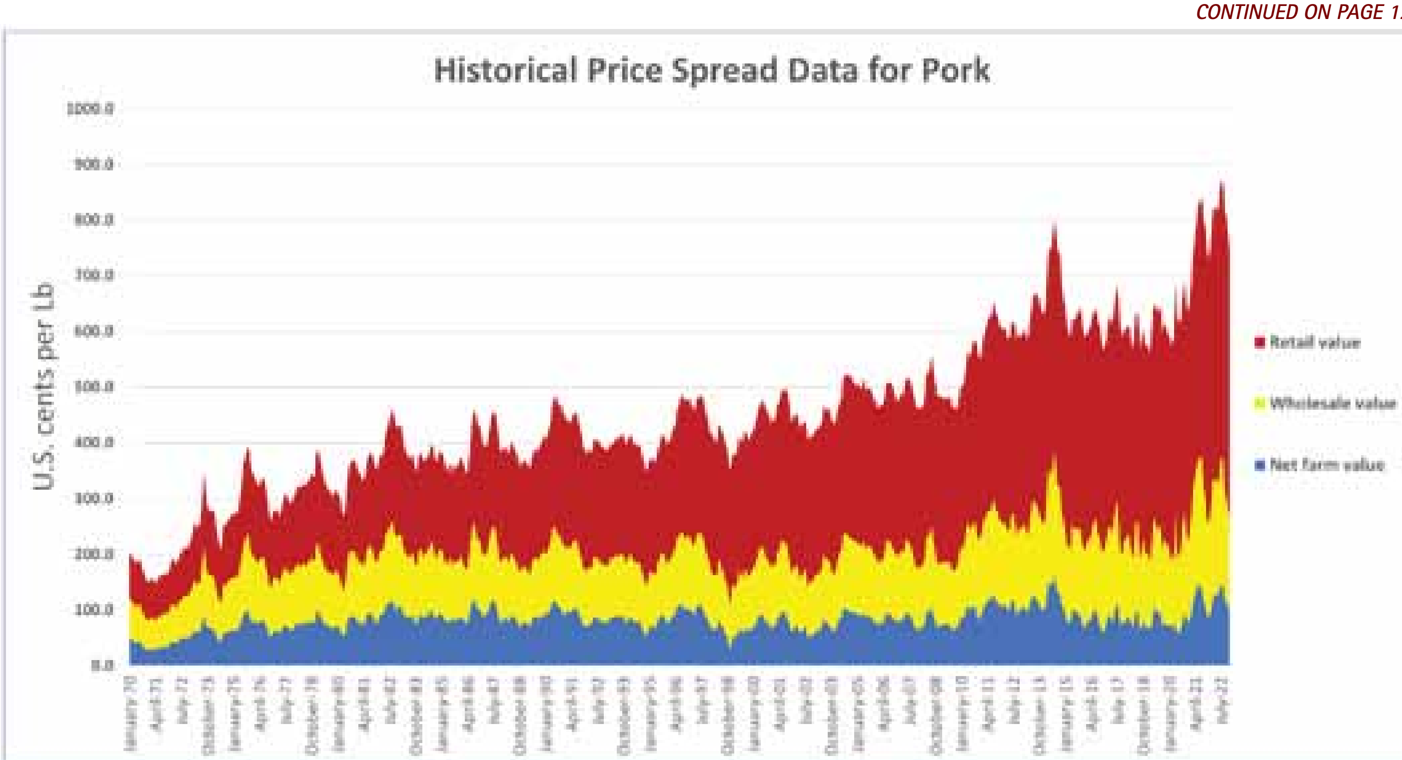
Hogs raised by Canadian producers – processed at facilities like those owned by Maple Leaf Foods, Olymel, HyLife and a few others – are regulated by the Canadian Food Inspection Agency (CFIA), representing upwards of 99 per cent of total production across the country, though this does not translate to the volume that is sold in Canadian grocery stores, which can include cheaper pork of foreign origin.

Hogs procured by CFIA-inspected processors are priced according to market formulas derived from mandatory, daily reports compiled by the U.S. Department of Agriculture (USDA), which reflects aggregated prices paid by processors to producers in the U.S. In Canada, no such reporting mechanism exists, which has been an ongoing problem that provincial pork producer organizations and the Canadian Pork Council (CPC) have been trying to address for years. Political buy-in has been lukewarm, at best.

Between 2000 and 2020, it is estimated that Canada lost more than three-quarters of all independent hog producers, while consistently growing the size of the country's total pig herd. This phenomenon is not due to a declining interest in raising pigs or selling pork, but profitability barriers that have made modern agriculture inaccessible without sufficient capital. Partly because of this, one approach by processors has been to vertically integrate their hog supplies by either owning barns outright or independently contracting producers as finishers for more of the hogs that end up at their plants.

This suggests that, while we have fewer farmers making a living off commercial hog production, those few have expanded their operations to make up the difference, as global demand for protein continues its bullish trajectory. As the number of hogs produced has levelled off in recent years, and the number of producers continues to drop, it is easy to speculate as to why, given the situation at-hand.

CONTINUED ON PAGE 12



Retailers have been taking an increasingly larger share of pork value in the past five decades, while the gap between producers and processors remains relatively consistent, by comparison.

Since the 1970s, data gathered from the USDA suggests the share of value between producers, processors and retailers has not stayed proportional. Extrapolating this data for a Canadian context is not a perfect comparison, but given the inter-connection between our national industries, the relationship is about as close as we can get without better, currently non-existent data.

Canadian market hogs are priced using processor-specific formulas that reference the USDA's information, as a starting point. From there, hogs are measured against a 'grid' that includes a range of weights falling below or above an ideal target, which sets the starting price. Then, carcasses are assessed for indicators of quality – like fat marbling, loin depth and colour – which may be paid out in the form of premiums and bonuses defined by a producer's contract.

To evaluate hog prices in a general sense, market analysts use a standardized 100-kilogram 'dressed' carcass, referring to one that has been slaughtered and has had most of its non-meat features removed. Considering the financial share of that carcass, one that fetches a producer $200 can be sold by a processor for roughly $300 in profit once broken down into 'primals,' or large, basic cuts. Most primals are sold to wholesalers internationally or domestically, to perform further processing in any number of ways.

Fresh or frozen cuts like loin chops, racks of ribs, belly portions and shoulder roasts – along with cured products like bacon, deli meats and sausages – are among some of the many options Canadian consumers have when it comes to purchasing pork in-store. While detailed sales data for these items is not publicly known, even taking a low-end estimate of $8 per kilogram – the price of ground pork at Real Canadian Superstore, as of early 2023 – that would mean the full value of the meat from a hog carcass approaches $800 at retail, which is, conservatively, about four times what a producer earns and at least twice what a processor earns.

While the numbers cited here cannot be exact and are highly variable, a picture of proportionality begins to emerge: producers and processors, together, take home only a meagre slice of the total value of the pig, most of which belongs to the retailer and its middlemen. Granted, these middlemen represent additional input costs for retailers, on top of losses attributed to meat that goes unpurchased and is wasted. However, until retailers choose to shed a brighter light on the breakdown of their costs, as a way to rationalize what they charge and justify their margins, consumers and the rest of the pork value chain are left guessing.

Farmers bear the brunt of the burden

Consider what it takes to get the pig from farm to fork: from 'farrowing,' or birth, the pig is raised to market weight at six-months-old, then hauled to the processing plant, where the next steps take a mere matter of days. From there, its outputs are sold and shipped all around the world to end users who may get weeks or months of shelf life out of the product, depending on how it is prepared or stored.

All in all, while processing and retail are indispensable parts of adding value to the hog carcass, most of the time commitment – and much of the up-front risk – lies with the producer. Producers, being at the beginning of the value chain, have little to no recourse when it comes to affecting the prices paid for their pigs, while facing the same unstable market conditions as processors, with none of the mark-up ability of retailers.

While input costs have increased across the board throughout agri-food, livestock feed, energy costs and insurance rates have gone up faster than hog prices. When looking to reinvest into a hog operation, including modernizing barns for eco-efficiency and animal welfare standards, producers have suffered, as the confidence of lenders has eroded. On top of that, if a producer underperforms in another area of his total farm operation, such as reduced crop yields during an off-year, government-funded business risk management (BRM) programs are often insufficient to balance out total losses.

With everything considered, it is hardly short of miraculous that many of Can-

The pork value chain can be very complex on certain levels, but it starts with the farm and producers who are committed to animal care, food safety and traceability, backed by quality assurance programs that are validated and audited by veterinary experts.

ada's food producers are able to stay afloat at all.

Market downturns make it tougher

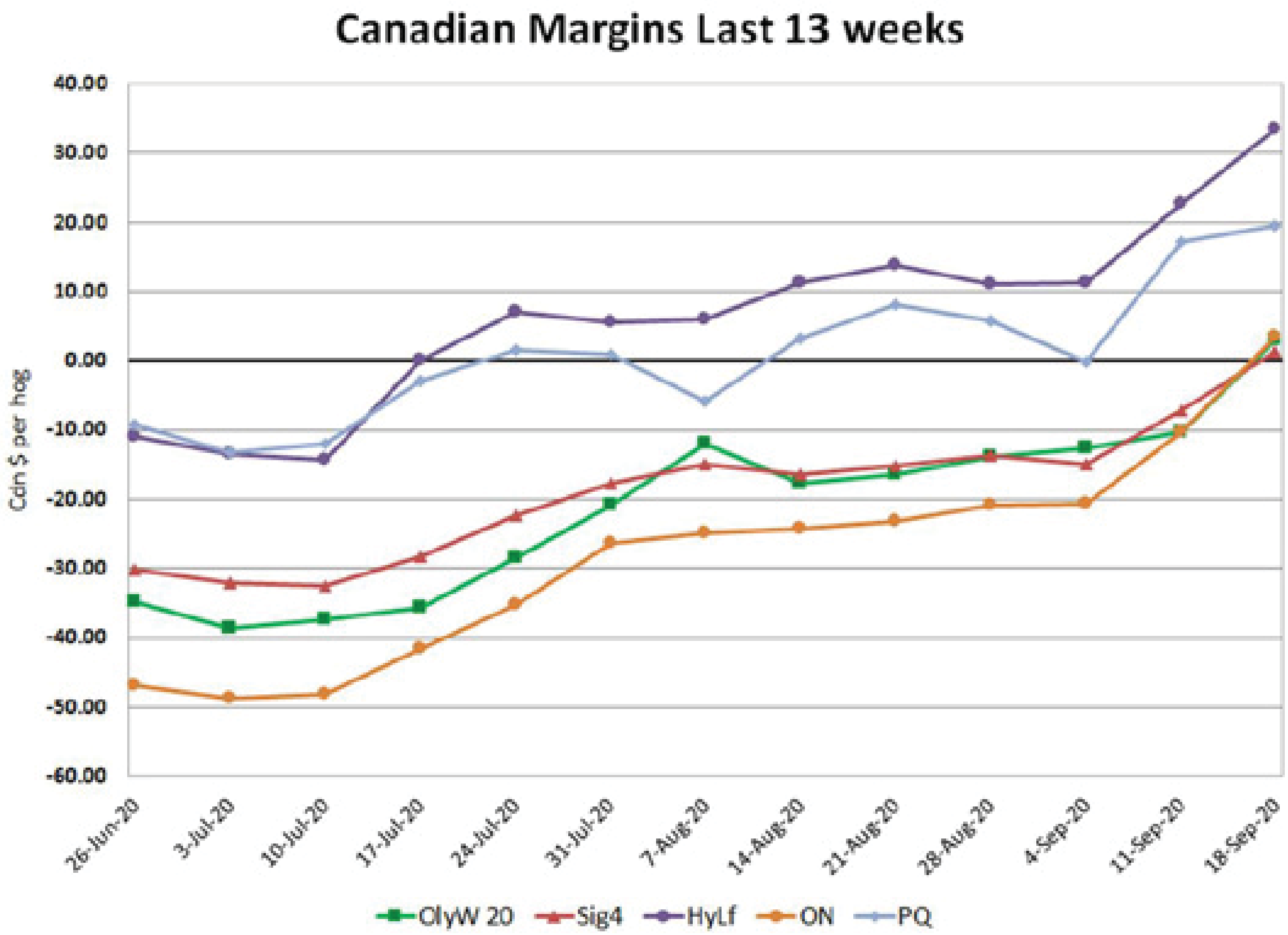
Market conditions for pigs and pork took a sharp turn, starting in late 2018, with the outbreak of African Swine Fever (ASF) in China. Almost overnight, pork values for processors jumped dramatically as China looked to fill the void left by widespread culling of animals on its farms, which led to a situation of unexpected low supply but predictable high demand for protein, with pork being the cultural preference even among other options like beef, chicken and seafood.

Shortly after ASF hit China, hog prices in western Canada were around $150 per hog, with cost of production estimated at around $180, signifying a $30 loss. This period continued until 2020, when COVID-19 struck. While summertime usually spells the highest hog prices, they sunk to around $140 per hog, as costs approached $200. Producers were then losing more than $50 per hog, on shipments of about 200 hogs per week, for many weeks of that year.

Recognizing the severity of what was happening, western Canadian producer organizations – B.C. Pork, Alberta Pork, Sask Pork and Manitoba Pork – approached processors with a humble request to work toward bringing about some relief in their pricing structures. Olymel made favourable adjustments to its base pricing and bonuses, while Maple Leaf introduced a pricing floor, which temporarily kept base prices from falling too far, too fast. Separate from the producer organizations' request, HyLife had recently introduced base pricing using cut-out (primal) values, rather than whole carcass values, which were lower. The net effect of all these changes was a small boost for producers. But, despite the efforts, which were appreciated, little could have prevented the damage that had already been done.

This situation ended up financially crippling many, as a result of that comparatively short period of market volatility alone. Some producers managed to limp through the most difficult parts, while others did what they could to escape the industry with as little collateral damage as possible.

CONTINUED ON PAGE 14



The predictable yearly ebb and flow of pig prices – lower in winter, higher in summer – experienced a particularly tragic anomaly in mid-2020, as African Swine Fever (ASF) and COVID-19 ravaged the industry for months.

While hog prices stabilized and became favourable through much of 2021 and 2022, costs kept climbing to historical highs. In good times, producers may have profited between $60 and $100 per hog for several weeks in the summer months of 2022, descending to break-even, at a low point, during this past winter. As of the first part of 2023, hog prices were sitting at $230 per hog, though future pricing estimates suggest this summer will be mediocre, if not outright negative. Compounding the problem, costs have yet to cool down, now upwards of $240 per hog.

It would seem that the roller coaster ride is set to continue, and for those who are unable to stomach the inevitable ups and downs, they may be looking to bow out. Should the number of active producers, once again, shrink faster than the reduced hog supply can be displaced, it will have a ripple effect on everyone, from processors and retailers, to consumers.

Producers and consumers deserve better

Despite the pork value chain's internal struggles, for consumers, pork stands out as a candidate for being incredibly nutrient-dense and easy-to-prepare, along with being unusually affordable in the current high-price environment.

Retail pork prices by weight have actually declined year-over-year, making pork attractive relative to its red meat cousins, poultry and heavily promoted fake meat substitutes. Other categories of food – like produce, bakery and dairy goods – have increased.

And while the Canadian public should be encouraged to keep purchasing pork – undoubtedly, a mutual benefit for the consumer and industry alike – it may enhance their understanding if they took a deeper dive into the parts of the value chain that are less observable to the average person.

In the absence of clear answers to questions around food prices, and solutions to bring them closer to what is considered 'fair,' consumers will continue to eat. For the vast majority, that means frequenting grocery stores, often with few true options or cost savings to be had. Unfortunately for consumers, just like producers, most of the bargaining power does not belong to them.

At the same time, as pig prices fail to represent an equitable share of producers' efforts, and as processors grapple with treacherous territory in the global pork marketplace, farmers and meatpackers will continue to deliver their products – feeding Canadians and the world. But for how long can it last in an economically sustainable fashion, under current constraints?

Consumers should not feel guilty about buying pork at discounted prices – hypothetically and unintentionally on the backs of producers – but they should keep searching for the reasons why grocery prices are the way they are, no matter the food item. Producers, too, will keep pressing. ■

Environmental strategy overlooks pork complexities

Katerina Kolemishevska

Editor's note: Katerina Kolemishevska is Director of Policy Development, Canadian Pork Council (CPC). She can be contacted at kolemishevska@cpc-ccp.com.

Earlier this spring, the federal government published a discussion paper covering its 'Sustainable Agriculture Strategy,' which describes a proposed approach for improving sustainable agriculture practices in Canada.

The discussion paper is part of a larger government initiative to build a national plan for sustainable agriculture, which will establish a unified direction for collective action to improve long-term environmental performance in the sector, support producers' livelihoods and promote the Canadian agriculture industry's business competitiveness.

Responding to environmental problems and catalyzing the solutions into profitable and sustainable production practices can be challenging. There are many barriers to reaching sustainability, not only at the farm level, but also within the value chain. In most cases, these new practices would require significant changes in how we produce and consume our products.

One of the biggest challenges to transitioning is the economic pressure and the high cost of implementing sustainable practices. The pork industry is subject to a great deal of volatility, with a lot of attention on profit margins, making it difficult for producers to invest in new technologies or methods that do not guarantee financial returns.

With primary production comes supply chain incompatibility. The pork industry is part of a complex network of several inter-related operations, ranging from crop production, transportation, processing and retail. Changes in one area could have unintended effects in another. Without a whole-system approach, it would be impossible to reach the goals currently outlined in the government's sustainability strategy.

The federal government's sustainability push for agriculture is not bad, but it misses the target when it comes to convincing producers, who are the ones it impacts most.

Lack of data fuels speculation over facts

The lack of data is a considerable challenge holding back the necessary funding allocation and investments into many of the solutions that would make agriculture more environmentally friendly. Evaluating the success of sustainable agriculture methods and analyzing their actual benefits to the environment cannot be achieved without accurate and reliable data. What's more, producers may be unwilling to implement sustainable methods in the absence of credible data demonstrating their advantages.

In addition to data, the lack of uniformity in environmental performance indicators can lead to confusion among producers and consumers, making evaluating the sustainability of different practices challenging. Consequently, it can foster a lack of trust in sustainable initiatives and hinder their effectiveness in promoting sustainable practices. Achieving sustainability requires sound collaboration and coordination among producers, governments, different agri-food sectors, researchers and consumers. Yet, there seems to be a lack of cooperation among these stakeholders, making developing and implementing effective policies and practices difficult.

Benefits of sustainability could eventually be realized

Despite the challenges, there are some benefits to embracing sustainable agriculture practices. New common knowledge is evolving, promising the ultimate synthesis of environmental and economic objectives. With this new way of thinking, both industry and the planet may prevail. Being ecologically responsible is no longer a cost of doing business; rather, it is a driver of innovation, an opener of market expansion and a generator of growth.

The Canadian Pork Council (CPC) is currently surveying producers about their use of sustainable practices, to benchmark where we are and consider where we can get to.

Sustainable agriculture practices can provide several benefits for producers, including increased profitability and fewer inputs. The main bonus is improved value. For example, feed, manure and soil management practices can result in lower costs and higher yields, leading to increased profitability. Additionally, practices such as water-efficient irrigation and renewable energy sources can help reduce utility costs, resulting in lower operating expenses.

As the world shifts towards eco-conscious living, this means creating and accessing new markets. Currently, there is a lack of access to markets that reward sustainable practices. Many traditional markets do not offer a premium for food produced sustainably, making it difficult for producers to rationalize and recover the associated expenses.

However, consumers are becoming more interested in pork that is produced sustainably, and producers who demonstrate sustainable methods may gain access to new markets and better pricing for their products. Various countries and regions are already vigorously promoting products with claims relating to reduced carbon footprints, organic and antibiotic-free production, and fair-trade practices. These products are often sold at a premium, providing an opportunity for producers to earn more money when selling their pigs to processors who make these claims – hypothetically, at least.

When producers are paid better for their pigs, this encourages and enables them to cover the costs of becoming more sustainable while also supporting the trade ambitions of their processing customers, who are increasingly mindful of the requirements for entering markets that appreciate sustainable production. More importantly, sustainability can help producers improve their resilience to climate change and other environmental challenges like drought, floods and pests. Managing weather risks can reduce crop failure, animal mortality and disease incursions, resulting in an improved financial situation.

Overall, by conserving natural resources and decreasing environmental effects, sustainable practices can help assure the long-term viability of pork production in Canada. This can help producers continue to grow and earn a living from their land for future generations.

Major barriers to success still exist

Transitioning to sustainable pork production practices will be a complex process that requires addressing several uncomfortable realities.

Most importantly, producers need access to the necessary knowledge and skills to support a successful transition to best practices. This includes

CONTINUED ON PAGE 18

Transitioning to sustainable practices, in some cases, means adopting expensive, complex technologies. Combined heat and power (CHP) units for barns are one example. Producers may require additional support to summit the steep learning curve.

training on sustainable management of feed, water, manure and soil; the environmental impact of pig farms; and the benefits and challenges of transitioning.

With skill-building comes the potential of co-benefits. Measures are often adopted mainly for reasons other than mitigating greenhouse gas (GHG) emission that yield purely win-win outcomes, also known as 'trade-offs.' Key potentials for trade-offs in the area of manure include limiting fertilizer use, improving soil resilience, and the creation of bioenergy. As such, the trade-off is lower costs while also reducing GHG emissions.

On top of knowledge and skills, producers will require technical means such as adequate equipment, technologies and infrastructure to implement best practices. Some of these may require adjustments to existing systems or the adoption of new ones, such as irrigation, manure spreading or renovations to animal housing.

Beyond the challenges inherent to producer education and retrofitting farms, the steepest obstacle is that environmental stewardship and sustainability can be expensive, going well beyond what many producers can afford, at present.

Producers need sufficient access to loan financing and funding incentives to make the transition possible. In some cases, there may be a need for alternative business models or markets to support sustainable practices, backed by policies that have tangible outcomes for producers. The government needs to put more work into this area to provide a level playing field for producers. This includes measures that support producer-led research and development that fits with unique Canadian pork production conditions, including weather and other factors.

Yet again, we should not forget the crucial component, which is market demand. There needs to be sufficient demand for sustainably produced pork products to provide a market for producers who adopt sustainable practices. This requires raising awareness among consumers about how the pork industry has progressed, which should encourage producers to transition.

Transition requires small steps, not great leaps

Considering everything that is influencing sustainable pork production, it provides the pork industry, including producers, with both challenges and opportunities.

Nonetheless, in the long run, the benefits far outweigh any concerns or inconveniences connected with such challenges. Transformational change toward sustainable pathways requires more than simply scaling up sustainability practices; it requires addressing the collaborative implementation of priority interventions and targeting key points, in hopes of linking existing social, economic and environmental systems.

The federal government's proposed Sustainable Agriculture Strategy has brought together decision-makers, industry partners, producers, researchers and members of the public to discuss how to bring about pathways to sustainability. Through this initiative, it is imperative that the beliefs behind sustainability are backed up with appropriate support for farmers, which will be key to getting them on board in principle and in practice. ■

Radical, sweeping decisions can have unintended consequences for agriculture. Too much change too quickly could put farmers out-of-business, which is unsustainable regardless of environmental best practices.

Producers wager most with meat merchandising

Will Verboven

Editor's note: Will Verboven is an agriculture opinion writer and policy advisor. This article represents his perspective and analysis. He can be contacted at wverboven100@gmail.com.

Recent months have seen media reports about the rising cost of food with some revelations as to the causes of those increases. The big grocery store retailers have had to justify those increases in front of a parliamentary committee, which has seen political parties all grandstanding over concerns for the poor, exploited consumer.

By coincidence, another government-initiated committee has been looking into developing a grocery code of conduct to deal with the dubious buying practices of the big grocery chains. Some of those practices included renting shelf space, unloading fees, penalties for shorting orders, mandatory fees for product features and advertising, along with other surprise fees.

One could easily assume that such merchandising costs have simply been added to the retail price the consumer pays – if only that were true. Instead, they are paid by suppliers to big retailers who have turned them into profit centres. Suppliers really don't have any recourse, however, except to pass down those costs to producers.

Understanding the meat merchandising landscape

I maintain that primary livestock producers bear most merchandising and promotion costs through lower prices for their commodities, with the exceptions being supply-managed products like dairy, eggs and poultry. The producer, in turn, copes with lower prices in the usual way, by becoming more efficient.

Pork processors are involved with merchandising and advertising their products, but only some of them, mostly with further-processed items like bacon, deli meats and sausages. That's because it's easier to differentiate quality, taste and texture with branded processed products that can return premium prices. However, it's at the actual meat counter where merchandising changes, because consumers are presented with generic pork products, and they are often unaware of who produced or processed those products.

In the case of generic pork products, processors are not interested in direct-to-consumer promotion, as there is a possibility of inadvertently promoting their competitors. When merchandising is done by processors, the goal is to become the exclusive supplier to a retailer, gaining domestic market share over competitors. Merchandising benefits for grocers include things like pre-packaging, which is crucial, because many stores don't have on-site meat cutters.

None of that merchandising comes for free, and it limits the ability of processors to promote directly to consumers. However, starting decades ago, red meat consumption began to decline, as chicken consumption was rising. There were various reasons for increasing chicken consumption, including innovative new products, competitive pricing, convenience and cleverly targeted advertising. Pork and beef were just not at that competitive level of meat merchandising and promotion – in reality, there were no such efforts, as processors were unwilling to participate in consumer advertising.

Hog producers, through their organizations, decided that if processors were reluctant to get into the direct-to-consumer generic pork promotion and merchandising business, then they would. It was a hard sell, as many producers felt that once they sold a hog, it was the responsibility of the processor to promote and sell the pork. That producer-financed pork promotion has cost millions. At times, it's been hard to support, as consumption continued to decline more or less, and it bugged some pro-

Further-processed products often include processor branding at retail, but the bulk of fresh pork does not. When it comes to pork promotion, the challenge remains getting retail value back to producers.

Verified Canadian Pork is 'enjoyed locally, distributed globally.' In fact, most Canadian pork makes its way out of the country.

ducers that their hard-earned checkoff dollars directly benefited processors and retailers.

The tough part was the declining share of the consumer dollar that the primary producer was receiving. The response from producer organizations was that, without effective merchandising, pork consumption would be even lower, and prices, worse. It's taken a generational change with many producers to accept that perspective.

Canadian pork's global reach stands out

Over the years, pork promotion has evolved into highly sophisticated programs that can be tracked and evaluated for effectiveness. It's all highly targeted, with Canada Pork working directly with retailers, fast food chains, food service companies and other end users, at times promoting and incentivizing specific products and cuts. But it's a tough go, requiring significant funding, which still pales in comparison to chicken and turkey promotion, for example. Supply-managed entities like these have no price pressure, can include promotion in their production costs and do not have an export market to compete for. Whereas, it's in offshore markets that Canada Pork and processor-exporters have been particularly successful.

Despite squaring off against marketing giants like the U.S. Meat Export Federation and Danish Crown – the organization responsible for promoting Danish pork globally, among other things – Canada has still managed to become one of the world's largest pork exporters. Foreign markets are critical to the Canadian industry, as exports represent an even bigger share of our production than that of the U.S. or European Union (E.U.), to which Denmark and other major pork players like Germany and Spain belong. Both the U.S. and E.U. even prop up production through the use of subsidies – including lifestyle, cultural and feed support programs. These activities are sometimes protested by taxpayers, but this differs from the situation in Canada, where such supports are not available.

Commercial hog producers may be aware of the fundamentals of domestic pork merchandizing, but the process remains complicated when it comes to reaching consumers. It gets particularly convoluted when high consumer food prices are improperly connected to higher primary producer prices. In some cases, pork merchandising and promotion does add to producers' costs, but this is generally understood to be beneficial in the long run. Although not always fully appreciated, those efforts are successful and have become a staple in the world of pork marketing. ■

Supply management bill tampers with trade tools

Dan Darling

Editor's note: Dan Darling is President, Canadian Agri-Food Trade Alliance (CAFTA). For more information, contact Adam Taylor, Interim Executive Director, CAFTA at exec.dir@cafta.org.

Few pieces of legislation being considered by Canadian parliamentarians have the potential to jeopardize more sectors than they're seeking to protect like Bill C-282, *An Act to amend the Department of Foreign Affairs, Trade and Development Act (supply management)*.

In summary, the bill – put forth by the Bloc Québécois – would prevent Canada from ever contemplating concessions in sectors regulated through the system of supply management, specifically, dairy, eggs and poultry. As an organization representing the 90 per cent of producers, processors and agri-food exporters that rely on access to global markets, we believe this bill is ultimately unnecessary and runs counter to Canada's broader economic interests.

First, this bill contradicts Canada's long-standing trade policy objective of achieving comprehensive trade outcomes, as described by the *Department of Foreign Affairs, Trade and Development Act*.

Furthermore, tying the hands of trade negotiators before talks even begin will result in less ambitious pursuits across the board, as other countries will counter by excluding products or sectors from discussions where Canada has offensive interests.

Canadian pork exports *(2022)*	
Destination	**Value**
U.S.	$1.71 billion
Japan	$1.26 billion
China	$780 million
Mexico	$395 million
Philippines	$304 million
All others	$519 million
Total	$4.97 billion

Supply management of certain Canadian agricultural outputs is a given. But what about the 90 per cent of other commodities, like pork, that rely on access to global markets? Canadian pork exports were worth close to $5 billion last year.

This bill will also encourage other sectors to also seek exclusions from trade talks and will send the signal that protectionism is acceptable and indeed desirable – a public policy course that would be devastating for an export-dependent country like Canada.

Second, C-282 erodes Canada's credibility as a leading voice for free and open trade. We shouldn't kid ourselves; other countries are watching this legislation closely, and this bill's passage will have immediate negative consequences as we fully expect many of our trading partners will respond by threatening to refuse to extend, review or modernize existing trade agreements. It would establish Canada as an undesirable trading partner and would limit our ability to even be invited to a seat at the table of various bilateral and multilateral negotiations. Perhaps most worrisome, this legislation contradicts Canada's leadership at international forums like the World Trade Organization (WTO), where Canada opposes protectionism and supports free- and rules-based trade.

Third, this legislation is bad policy for a highly diversified economy like Canada's. Removing options from trade negotiations out of the blocks would lead to less commercially meaningful results for all of Canada, because it would encourage every country to avoid making any significant concessions, especially in sensitive areas.

Simply put, prioritizing the economic interests of the products or sectors excluded above the economic interests of any other sectors in Canada is bad policy for a country where one-in-six jobs is generated by exports. And, make no mistake, this approach to trade negotiations will harm future growth opportunities for sectors that depend on trade, such as agriculture, energy, manufacturing, forestry, mineral products and consumer goods.

Finally, C-282 is bad from a food security perspective. International trade supports the accessibility and affordability of food. We cannot achieve global food security without free and open trade. As the world's fifth-largest food exporter, Canada has taken on an obligation to feed the world. Closing access to markets is closing access to food. To that end, this bill also contradicts Canada's commitments in recently signed declarations on food security at the Group of Seven (G7) Summit, Group of 20 (G20) Summit, WTO and Asia-Pacific Economic Cooperation (APEC) forum.

It should be noted that support for supply management and protecting it in trade negotiations is already long-standing government policy, from successive Canadian governments of all stripes. In fact, all of Canada's recent marquee trade negotiations have been successfully concluded while protecting Canada's system of supply management.

At the end of the day, there is no need or benefit for Canada to embrace and entrench protectionism on the world stage and set a dangerous precedent that delivers few – if not zero – benefits to the Canadian economy.

This is not an agricultural issue; this is a trade strategy and negotiation issue for an export-dependent country. We are calling on Canadian parliamentarians to look at the wider potential implications of this bill beyond the perceived short-term political clout. ■

Canada's ability to conduct free- and rules-based trade, without unnecessary obstacles, is fundamental to supporting our commitments to feeding the world. Image © Paul Kagame

Canada Pork focuses on foreign and domestic markets

Lauren Martin

Editor's note: Lauren Martin is Senior Director, Government Relations and Policy, Canadian Meat Council (CMC). She can be contacted at lauren@cmc-cvc.com.

Canada Pork's 2023 Annual Conference was held in Toronto in early February, inviting participants to learn more about the organization's accomplishments for the past year and challenges facing the industry today, along with its priorities and an overview of its strategic direction for domestic and global markets.

Since 1991, Canada Pork has brought together representatives from the Canadian Pork Council (CPC) – including provincial pork producer organizations – and the Canadian Meat Council (CMC) – including federally inspected meatpackers – to create a definitive link in the pork value chain.

Canada Pork's Annual Conference was another opportunity for these stakeholders to share the same space and rub elbows with individuals from across the sector and country. As a first-time attendee, representing CMC, I found the information sessions and networking opportunities very useful, as someone who is learning more about the pork sector and how we all collaborate.

Conference participants were able to hear from a lineup of guest speakers, including Brett Stuart of Global AgriTrends, who provided a global economic outlook for pork, and Sylvain Charlebois of Dalhousie University, who gave us his perspective on the challenges facing Canadian agri-food and pork's place in the equation.

Surveying the global pork landscape

Considering Canada exports approximately 70 per cent of its pork production, our reliance on trade and foreign markets cannot be understated. Stuart provided a high-level summary of global economic trends from the context our industry is operating in. His presentation also touched on some government regulations driven by environmentally focused or animal-welfare agendas that will impact our industry, including Prop 12 in California, the European Union's (E.U.) climate and welfare policies that are restricting pork production across the pond, and federal emissions reduction targets here at home.

Stuart's presentation fit nicely within the conference program, as Canada Pork staff took to the stage later in the day to discuss how they are addressing these market conditions, to help facilitate pork exports. Of note in the

By bringing together producers and packers, Canada Pork continues to build bridges across the value chain, supporting markets here in Canada and all over the world.

year ahead, Canada Pork said they will look to take advantage of the newly reinstated access to China and the Government of Canada's Indo-Pacific Strategy.

Providing a pork perspective closer to home

Charlebois, popularly known as the 'Food Professor' on social media, can be quite the lightning rod for a range of opinions online, and in person, he may be even more compelling when not restricted to just 280 characters to explain his perspectives on the Canadian agri-food system.

One of the main subjects Charlebois covered was the price of food these days, especially protein, as many Canadians have voiced their concerns over inflation. He framed pork as the most affordable protein, even following it up by sharing a few social media examples showcasing some of the conversations he's had.

Sylvain Charlebois, the 'Food Professor,' is often asked by national news media outlets to speak about food issues for the public. His presence on social media has also sparked intense debate and opened eyes to agri-food system challenges.

Despite the consumer price advantage of pork, Charlebois believes Canadians haven't yet flocked to pork as the saviour to the protein unaffordability dilemma.

Preparing for what's to come

Ongoing threats to the Canadian pork industry continue to linger. Stuart described African Swine Fever (ASF) as the 'wild card' with any global pork trends, and how its presence anywhere impacts access to foreign markets.

For Canada to have a chance at weathering ASF, should it arrive here, we will need the domestic market to absorb as much of the excess pork it can. While it might be an easy ask to get Canadians to do their duty and eat more bacon, all cuts will need an increase in consumption if the worst should come to pass. My key takeaway from this situation is to consider our industry's role in promoting domestic pork consumption, leveraging current affordability concerns and favourable supply, in the event borders close to trade.

From CMC's point-of-view, we ask, *what can pork processors do to remain competitive within international markets, while also offering innovative products that are desirable and on-trend with today's domestic consumer?* This is a critical component to the industry's ASF preparedness efforts. As they say, an ounce of prevention is worth a pound of cure. ■

CPC welcomes new, celebrates outgoing Chair

René Roy

The Canadian Pork Council's (CPC) board of directors named a new Chair in mid-January: René Roy, a producer from Quebec. Roy's appointment comes after Rick Bergmann, the organization's longest-serving chair in its history, retired from the board after a combined total of 15 years of service.

"I would like to thank my friend Rick for representing our 7,000 Canadian pork producers for the past eight years as Chair," said Roy. "Being Chair of this organization is important and rewarding work, and Rick has tirelessly taken time away from his farm, business and family to advance national files on behalf of all producers."

Bergmann welcomed his successor, while congratulating the board for its accomplishments during his time and praising its potential in the years to come.

"René will help lead the industry into the future, and I have faith in the board's direction and in the organization's ability to serve the best industry in Canada – the Canadian pork industry," said Bergmann. "I am proud of my time as chair of CPC. Nowhere have I met better people than the producers and staff involved with this organization."

Carbon tax exemption advances to Senate

An exemption to Canada's carbon tax on fuels used to heat barns and dry grains is one step closer to reality, with Bill C-234, an *Act to amend the Greenhouse Gas Pollution Pricing Act*, passing third reading in the House of Commons in late March.

The bill, championed by Ben Lobb, (Conservative) Member of Parliament (MP) for Huron-Bruce (Ontario), is supported by Conservative, New Democrat, Bloc Québécois and Green MPs, with Liberal MPs voting against it.

With Canada's carbon tax increasing this year from $50 to $65 per tonne of carbon emissions, there continues to be political support for this pricing scheme that many speculate is contributing to food price inflation. By 2030, the tax is set to increase by more than two-and-a-half times, to $170 per tonne.

In 2020, Alberta Pork and Sask Pork conducted a joint study of the carbon tax's impact on hog farmers and estimated it will cost more than $1.75 per marketed hog in 2023, increasing to more than $4.50 per hog in 2030, without an exemption.

Bill C-234 will now move onto the Senate, where it will be debated and voted on before potentially becoming law.

Sustainable Canadian Agriculture Partnership launches

With sustainability initiatives growing in popularity among federal policy-makers, Agriculture and Agri-Food Canada (AAFC) launched the new Sustainable Canadian Agricultural Partnership (SCAP) in late March, setting aside $1 billion for federal objectives, along with $2.5 billion in cost-shared programs and activities funded by federal and provincial governments.

Priority areas under SCAP are aligned to the 'Guelph Statement': the federal government's vision for agriculture leading up to 2028, which includes building sector capacity; growth and competitiveness; climate change and environment; science, research and innovation; market development and trade; and resiliency and public trust.

Expanded eligibility conditions for certain SCAP programs will require farmers to have in place environmental farm plans (EFPs), making funding qualifications stricter than before. While business risk management (BRM) programs, including AgriStability, do not have the same stipu-

Environmental farm plans (EFPs) are required for farmers to qualify for certain funding programs. At Alberta Pork's semi-annual meetings in mid-March, the EFP process was presented for producers.

lation, there is undoubtedly an appetite for EFPs as program prerequisites.

Producers across Canada can work with their provincial governments' designated providers of EFPs to start one at any time, free-of-charge. EFPs are voluntary, whole-farm self-assessment tools that help producers identify and mitigate environmental risks.

SCAP replaces the original Canadian Agricultural Partnership (CAP), launched in 2018, which followed Growing Forward II, in 2013, and the original Growing Forward Program, in 2008.

Federal budget funds vaccines, foreign workers

Following calls from across Canadian animal agriculture for the federal government to establish a bank for livestock vaccines, specifically to address the risk of Foot-and-Mouth Disease (FMD), the Government of Canada's 2023 budget, released in late March, included the creation of an FMD vaccine bank.

"The vaccine bank, and the transportation supply chain office, are proof that governments can partner with producer groups to solve issues," said René Roy, Chair, Canadian Pork Council (CPC). "We know these are steps on a path to ever-depending partnerships with the agriculture sector."

The budget proposes $57.5 million total over five years, with $5.6 million to the Canadian Food Inspection Agency (CFIA), to establish the vaccine bank and to develop disease response plans.

In addition to the vaccine bank, the Canadian Meat Council (CMC), representing Canada's federally inspected processors of pork and beef, offered its support for the extension of measures introduced through the Temporary Foreign Worker Program (TFWP). The measures, originally introduced in response to COVID-19, permit food manufacturing employers to hire up to 30 per cent of their workforce through the TFWP for low-wage positions until October this year. Labour Market Impact Assessments (LMIAs), required to be completed before hiring a foreign worker, will continue to be valid for 18 months.

"CMC has been encouraging the federal government to make a higher cap on the TFWP permanent for food manufacturing," said Chris White, President & CEO, CMC. "The sector continues to face labour shortages; thus, the extension of measures is a step in the right direction. We will continue to advocate for it to stay in place."

Ontario, Quebec embark on Asian trade missions

Ontario Pork board members, Maaike Campbell and Tara Terpstra, joined government and industry partners on an

CONTINUED ON PAGE 28

Maaike Campbell, Board Director, Ontario Pork presented on the state of the pork industry for trade partners in Japan.

agri-food trade delegation to Japan and Vietnam in mid-February, led by Lisa Thompson, Minister, Ontario Food, Agriculture and Rural Affairs (OMAFRA).

Delegates participated in various roundtable discussions, business meetings, retail tours and networking receptions. Maintaining competitive access to markets and further developing trade is essential to the growth of the Canadian pork industry.

The trade mission provided a great opportunity to promote Ontario's agri-food products as well strengthen existing and create new trade relationships.

In early March, André Lamontagne, Quebec Minister of Agriculture, Fisheries and Food (MAPAQ), travelled to Japan to promote that province's wares, including duBreton organic ground pork, which will now be distributed by Costco Japan.

Costco has 31 warehouses and counting in Japan – an important retail outlet for a variety of Canadian exports. Costco Japan switched from U.S. to Canadian pork in 2017 and experienced an increase in sales. '*Katarosu*' pork shoulder roasts, from Olymel, are one of the popular items prepared in Canada specially for the Japanese market.

Ontario Pork launches book, raises funds

Ontario Pork launched a new book, *The Whole Hog*, in mid-February, featuring a collection of pork recipes, stories and tips gathered from people who work across Ontario's food supply chain, including farmers, chefs, truckers, veterinarians, nutritionists, processors, retailers and backyard grillers.

"The book tells a unique story of individuals from across the value chain who are bringing high-quality pork to the people of Ontario and the world," said John de Bruyn, Chair, Ontario Pork. "We are proud to showcase our contributions."

The stories provide insight into the care given to animals and the sustainable practices being used by farmers, like Cassie Van Engelen, a producer based in Lambton County.

"Our family loves what we do, which is producing a safe, healthy and nutritious food source for people to enjoy," said Van Engelen. "Having our family recipe on display is pretty exciting and I hope our story shines a positive light on our industry."

The book is available for sale at select Ontario Pork retail partner locations and can also be ordered online. Proceeds support Feed Ontario: the province's largest collective of hunger-relief organizations, including food banks.

In addition to fundraising, since 2013, Ontario Pork and its members have proudly donated nearly 300,000 pounds of pork, distributed through the Ontario network of food banks.

Manitoba Pork commits $150K to food banks

Manitoba Pork announced in mid-April a commitment of $150,000 over three years to Harvest Manitoba, which feeds more than 90,000 people every month. The financial support from producers will be used to supply rural food banks with freezers and ground pork that will help provide essential nutrition for those in need.

"While our job is to provide high-quality, affordable protein to the world, Manitoba pork producers are also committed to helping ensure food security here at home," said Rick Préjet, Chair, Manitoba Pork. "We are proud to partner with Harvest Manitoba, a remarkable organization that will help us connect

CONTINUED ON PAGE 30

A new book by Ontario Pork shares recipes, stories and tips gathered from people who work across Ontario's food supply chain, with proceeds from sales going to charity.

Grand Manufacturing Co. Ltd.

Stainless Steel Hog Feeders

"The Industry's Newest Leading Wet/Dry Feeding Technology"

New innovative feeder design. *(Easy to assemble)*

The hog feeder that does it all, saves time & money leaving more profit for your pocket.

- **Less Feed Wastage**
- **Less Feed Dust**
- **Less Clean Up TIme**
- **Easy, Precise Adjustment**

Grower/Finisher Feeder

- Comes in 30", 45", 60", 75" & 90" lengths
- 30" has two feed spaces per side, 15 animals per feed space
- 45" has three spaces per side, 15 animals per feed space
- Feeders designs for management simplicity

Adjuster

Basic incremental feed adjuster

Weanling Feeder

- Comes in 30", 40", 50" & 60" lengths
- 30" has two feed spaces per side, 10 animals per feed space
- 40" has four spaces per side, 10 animals per feed space
- Handles crushed feed or pallets with high moisture or high fat feeds.

Adjustable Water Stands

Extension Hopper

Optional add- on for all feeder sizes

One Way Gate

Grand Manufacturing Co. Ltd.

Box 10 Oakville, MB
PH: 204.267.2196 F: 204.267.2458
garry@grandmfg.com www.grandmfg.com

with communities across the province and ensure that those who are experiencing food insecurity have access to high-quality protein from right here in Manitoba."

Manitoba Pork's support for Harvest Manitoba will provide food banks with the opportunity to expand their food offerings to patrons. Fresh food, including meat, is always in high demand but short supply.

"Manitoba Pork is an important and valued partner of Harvest," said Vince Barletta, President & CEO, Harvest Manitoba. "The ongoing and sustained support of Manitoba Pork helps Harvest keep up with the unprecedented demand for food across our province."

Sask Pork names youth ambassador

Sask Pork launched a new youth ambassador program in early January, featuring 10-year-old Reise Podhordeski of Marcelin, Saskatchewan. Podhordeski, who lives on his family's commercial hay farm, will create a series of videos and attend various events across the province on behalf of Sask Pork.

"We are pleased to announce Reise as our ambassador..." said Mark Ferguson, General Manager, Sask Pork. "The program is a great opportunity to bring a youthful energy to the industry and create engaging and educational material. This young influencer program will bring increased transparency to hog production and remove the barriers to the public to better understand the industry."

Podhordeski's grandparents and father were formerly involved with a genetic nucleus hog operation.

"I'm really excited to be the first representative of Sask Pork's youth ambassador program," said Podhordeski. "It's a great way to show other kids and everyone across Saskatchewan what it's really like to be a pig farmer."

Reise Podhordeski

Industry reacts to trade deal with U.K.

Industry groups have reacted swiftly and strongly to the U.K.'s recent bid to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Canada, along with the 11 other original signatories, joined in 2018.

The main controversy surrounding the U.K.'s proposed entry into the deal is related to concessions that would disproportionally harm trade of Canadian red meat with existing CPTPP partners.

"The U.K. needed this deal more than we did, and yet, we gave more than we needed to allow them access to a global market," said René Roy, Chair, Canadian Pork Council (CPC). "We would be happy to work with the Government of Canada to help our negotiators get better at developing non-tariff trade barriers, as we need to retaliate against unfair partners."

Compounding the problem, U.K. officials incorrectly alluded to the use of growth hormones in Canadian pork production.

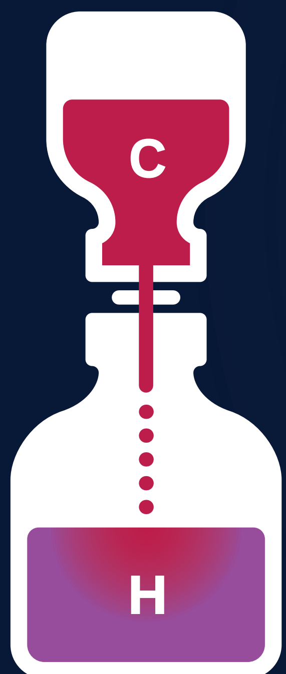
"We do not use added growth hormones in Canadian pork," said Roy. "Our food inspection and safety system is second-to-none and, in fact, is superior to the U.K.'s. The Government of Canada must defend its system more aggressively to keep falsehoods from being repeated by our trading partners."

CONTINUED ON PAGE 32

DUO™

CIRCOVAC® + Hyogen®

READY TO MIX



Hyogen® is now available
in a larger format

200 mL vial = 100 doses

Making a difference **together**

Dual protection against Porcine Circovirus type 2 and Mycoplasma hyopneumoniae in a convenient, single injection

Ceva

For the beef sector, fair access to the U.K. market is a specific concern.

"The U.K.'s accession to the CPTPP... is fundamentally unjust," said Nathan Phinney, President, Canadian Cattle Association (CCA). "If the Government of Canada brings a ratification bill to Parliament without addressing the U.K. barriers to Canadian beef, CCA will approach all parliamentarians to defeat that bill."

The Canadian Agri-Food Trade Alliance (CAFTA) also expressed its hesitation around the deal.

"While CAFTA is encouraged by the U.K.'s adherence to language facilitating the trade of products of agriculture biotechnology, CAFTA members are disappointed that the U.K.'s accession to the CPTPP has not addressed many of the SPS [sanitary and phytosanitary principles] and tariff barriers that limit Canada's market access for important Canadian agri-food exports..." said Dan Darling, President, CAFTA.

Italy looks to ban lab-created meat

The Italian government introduced a bill in its national parliament in late March to effectively ban food "from cell cultures or tissues derived from vertebrate animals," citing a need to protect national heritage.

'Cellular' or 'cultivated' meat uses samples extracted from live animals, including pigs, to create simulated meat in a laboratory setting. Unlike plant-based meat alternatives, lab-created meat may be closer to the real thing, but like plant-based products, its presence on the consumer market is contested.

"Laboratory products, in our opinion, do not guarantee quality, well-being and the protection of our culture, our tradition," said Francesco Lollobrigida, Italian minister of agriculture.

Products like *Prosciutto di Parma* – also known as 'Parma ham' – have received 'protected designation of origin' under the authority of the European Union (E.U.), as part of a system that was created in 1992 to defend the integrity of European food products on the global market. Under this system, strictly defined parameters ensure product consistency and uphold customer expectations. ■

Potential issues of safety, ethics and public confidence aside, is it possible to re-create high-end meat products with any amount of authenticity? Italy says no.

D3™ X NEEDLES

Now you *can* find a needle in a haystack

The Next Level of Detectability

Since 2002, D3™ Needles have been the industry standard, protecting packers, producers, and consumers with superior dependability, durability, and detectability.

And now we've made it better by adding patented visibility and easy extraction. If a needle should break off in an animal, the extraction collar prevents it from migrating deeper and makes it easy to locate and extract.

- For the producer this means reduced logistical nightmares caused by broken needles.
- For the packer it provides an added layer of protection to the standard metal detectability.
- For the consumer it provides the greatest gift of all — safer pork and peace of mind.

Broken needle with extraction collar in an animal

For more information, scan the QR code or call 1.800.621.8829.

NEOGEN®

High zinc oxide could hurt rather than help piglets

Danyel Bueno Dalto

Editor's note: Danyel Bueno Dalto is a research scientist at Agriculture and Agri-Food Canada's (AAFC) Sherbrooke Research and Development Centre. To read the full version of the paper summarized below, contact danyel.buenodalto@agr.gc.ca.

High dietary levels of zinc oxide and copper sulfate are commonly used as growth promoters, as an alternative to antibiotics, to prevent diarrhea in weaned piglets; however, the use of high levels of these supplements has been criticized due to environmental issues and concerns related to bacterial resistance to antibiotics and heavy metals.

A previous trial at the swine nutrition lab at Agriculture and Agri-Food Canada's (AAFC) Sherbrooke Research and Development Centre showed that copper concentrations found in the serum and livers of piglets decreased significantly, even when fed high levels of copper sulfate. This decrease may have been the result of using high post-weaning levels of dietary zinc oxide, but given the limited knowledge on the consequences of high levels of dietary zinc oxide on the metabolism of trace minerals like copper in pigs, it could not be proven.

Diarrhea in piglets is costly, but it can be controlled using high dietary levels of zinc oxide. Because growth is the ultimate goal, how much is too much, and where is the happy middle-ground?

Without understanding that relationship, it could be tricky to effectively replace high post-weaning levels of dietary zinc oxide without compromising piglet health. Therefore, this study aimed to grasp the effects of high levels of dietary zinc oxide on zinc and copper metabolism in post-weaned pigs.

To better understand how dietary zinc oxide affects zinc and copper concentrations, the swine nutrition team in Sherbrooke selected 120 piglets at weaning and randomly assigned them one of three experimental diets, without antibiotics, using different levels of zinc oxide: 100, 1,000 or 3,000 milligrams of zinc per kilogram. All three diets had similarly high levels of copper sulfate, simulating what is usually used on-farm. This was done to evaluate if high levels of zinc oxide would impair copper metabolism, even when high levels of copper are fed, as thought in that previous trial.

To measure the impacts of these different diets, the piglets were euthanized at different times to collect and test tissues from their intestines, livers and kidneys for zinc and copper concentrations.

Understanding the interplay between zinc and copper

Under the optimized environmental conditions of this study, feeding 3,000 milligrams of zinc oxide per kilogram of diet for more than two weeks post-weaning limited growth compared to lower levels – 1,000 and 100 milligrams of zinc oxide per kilogram – likely because of an imbalance between zinc and copper metabolism.

Uptake of zinc in the gut decreases the more it is included in the diet and increases the less it is included. In this study, higher zinc oxide levels decreased the expression of genes related to zinc absorption. However, lower uptake does not necessarily mean that the total amount of absorbed zinc is proportionally reduced, as shown by the higher concentrations in the tested tissues *(Figures 1A and 2).*

For example, in the liver, zinc concentration increased 10-fold in piglets supplemented with the highest amounts, compared to the lowest, during the trial *(Figure 2B).* To avoid creating toxic levels of zinc in the piglets, different cellular mechanisms were activated to 'sequester' or bind zinc within intestinal cells, along with releasing excess zinc from the liver and reducing zinc reabsorption in the kidneys. Despite using these mechanisms to control zinc levels, serum concentrations of zinc increased significantly in piglets fed the most zinc oxide, as those animals were no longer capable of handling the excess zinc.

Like zinc, copper absorption is not proportional to its intake. Looking at copper absorption levels in this study, increasing zinc levels reduced the amount of copper released by intestinal cells to the blood, as shown by the higher concentrations of copper in the intestinal tissue and lower in the livers of the piglets fed the most zinc *(Figures 1B and 3).*

CONTINUED ON PAGE 36

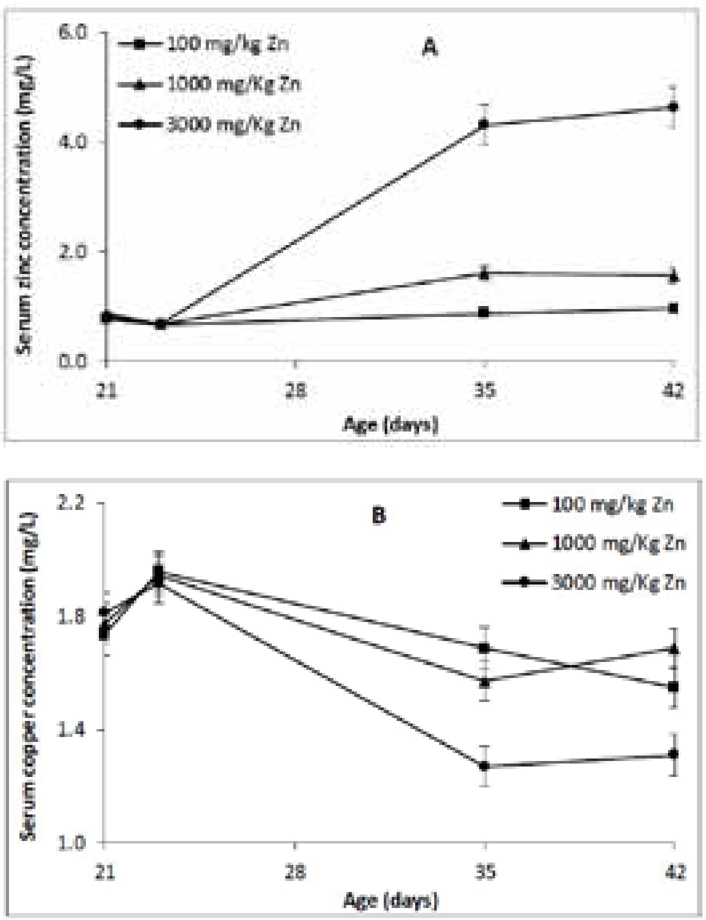


Figure 1

These effects are related to the same mechanism mentioned earlier, responsible for sequestering zinc in different organs. This mechanism is controlled by a specific enzyme that is responsive to dietary zinc levels but has a much greater attraction to

CONTINUED ON PAGE 38

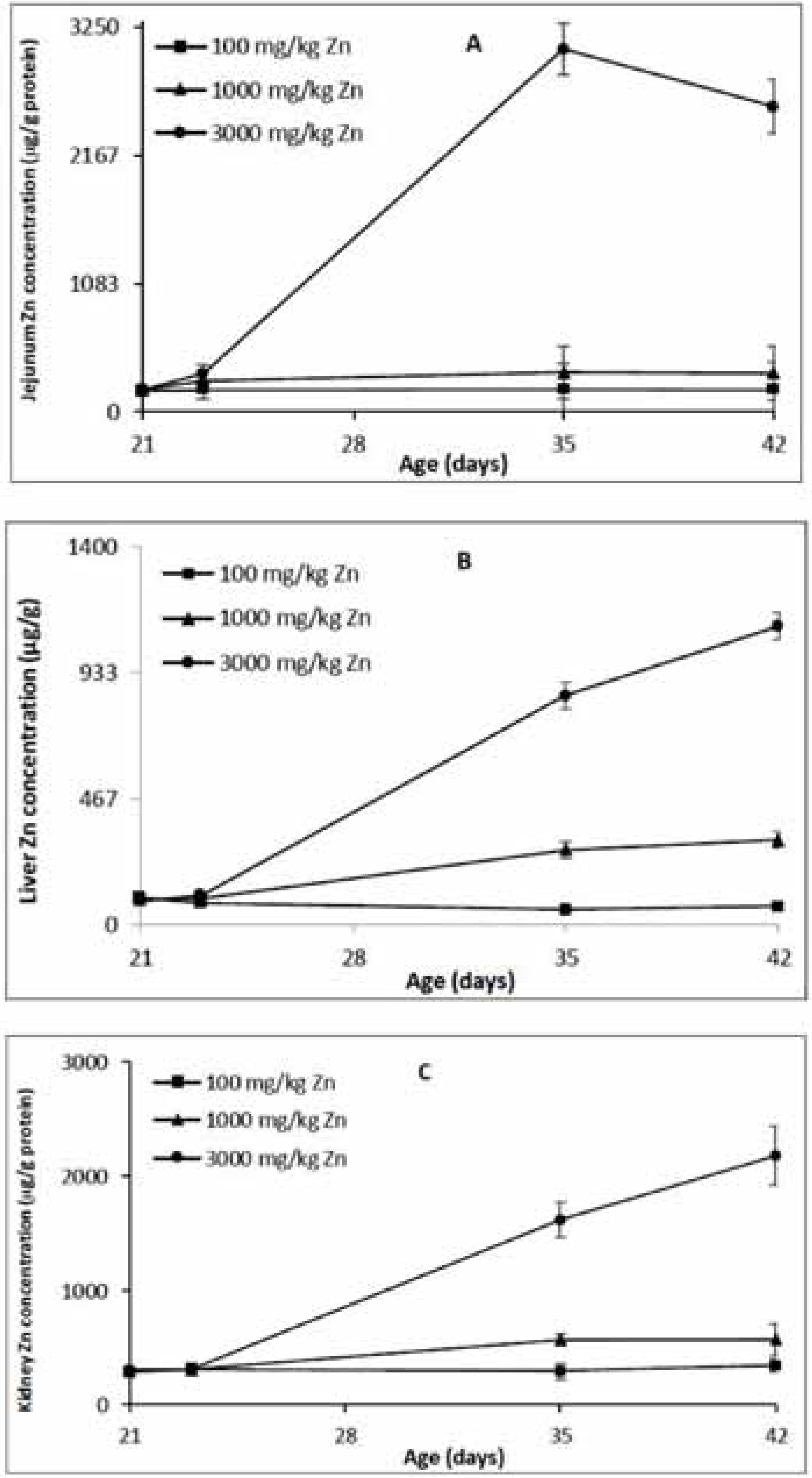


Figure 2

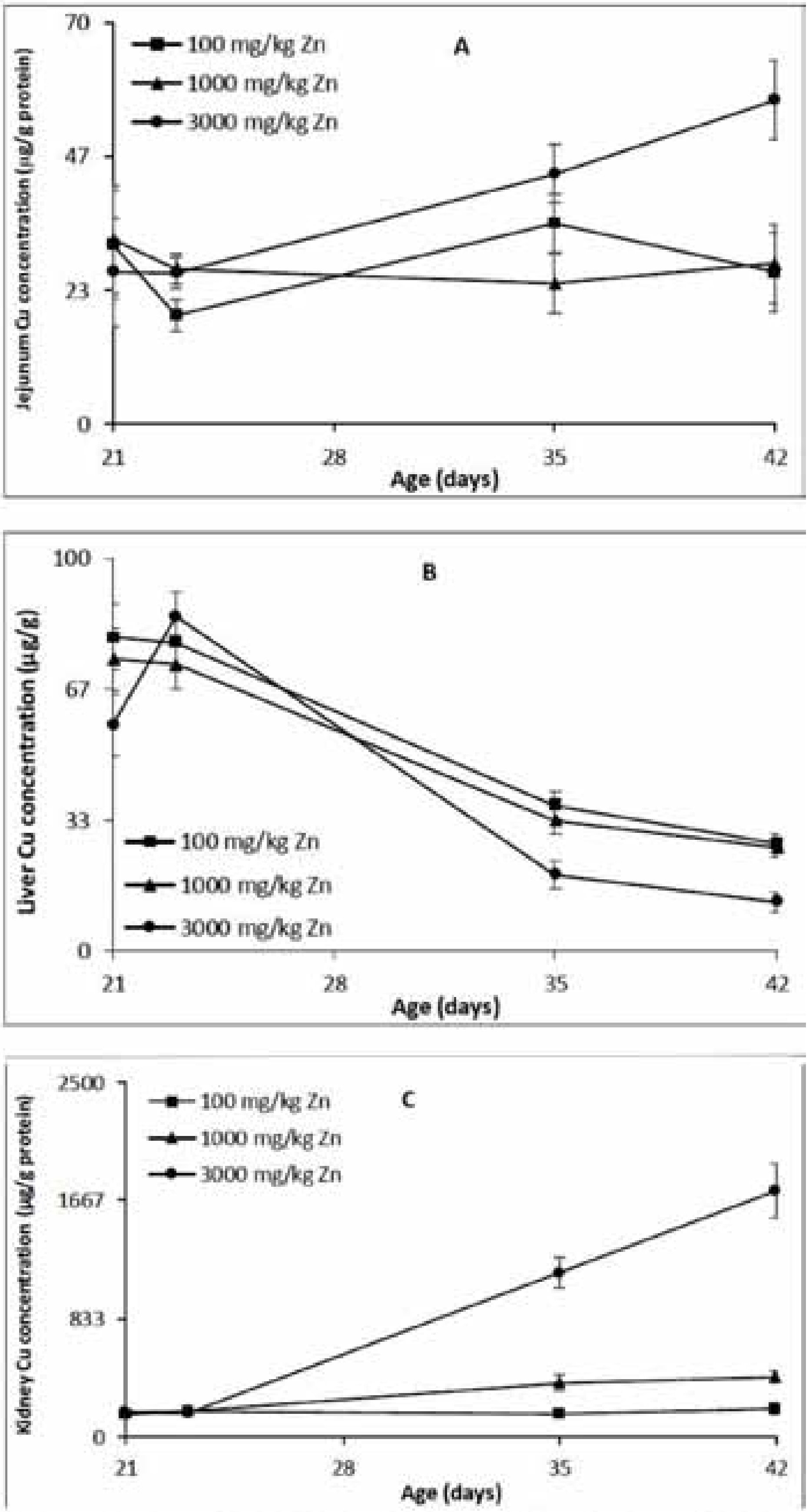


Figure 3

copper. In fact, this enzyme was hundreds of times more abundant in piglets fed the most zinc, compared to the least.

While it was expected that the sequestration of copper by that enzyme would cause higher copper retention in the liver, which is what happened in the intestinal tissue, it was actually lowest in the groups fed the most zinc oxide *(Figure 3B)*. These counter-intuitive results are explained by the fact that, although the high levels of zinc supplementation stimulated the enzyme in the liver, dietary copper was highly sequestered in the gut instead and, therefore, did not reach the liver in substantial amounts. When copper is trapped this way, it is eventually lost with the shedding of intestinal cells, which are completely regenerated every four days.

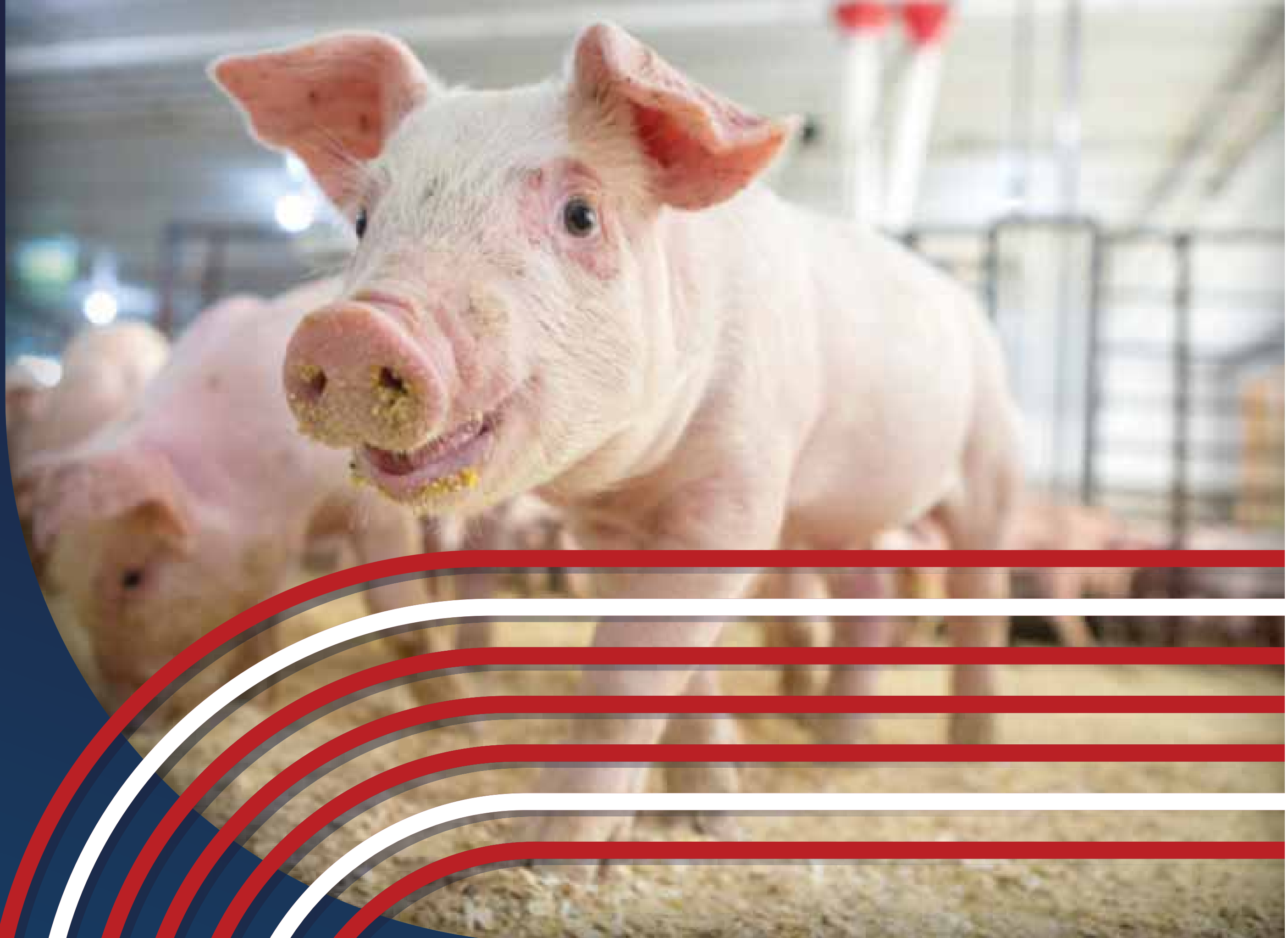
Piglets fed the most zinc also trapped high amounts of copper in the kidney. Together, the sequestration of copper in the intestine and kidney reduced serum copper levels to those usually observed at birth, suggesting a possible copper deficiency.

Interestingly, concentrations of copper in the liver and serum were significantly reduced in all piglets, even those supplemented with low zinc levels *(Figures 1B and 2B)*. It is unlikely that piglets were not supplemented enough copper, because dietary levels far exceeded recommended levels, which could mean that dietary zinc levels may not be the only factor affecting copper levels in post-weaning piglets.

Striking the right balance

The results of this study suggest that copper deficiency is a possible outcome of supplementing dietary zinc oxide at high levels during the post-weaning period, which could negatively impact piglet growth.

In regard to growth performance, considering the strict experimental environment of the study, it is possible that the harmful effects of high zinc oxide levels on piglet metabolism may have outweighed the positive effects associated with growth performance and the prevention of diarrhea under actual barn conditions. ■



Optimum pig weights help optimize profits

Karl De Ridder

Editor's note: Karl De Ridder is a swine technician with Cargill Animal Nutrition. He can be contacted at karl_de_ridder@cargill.com.

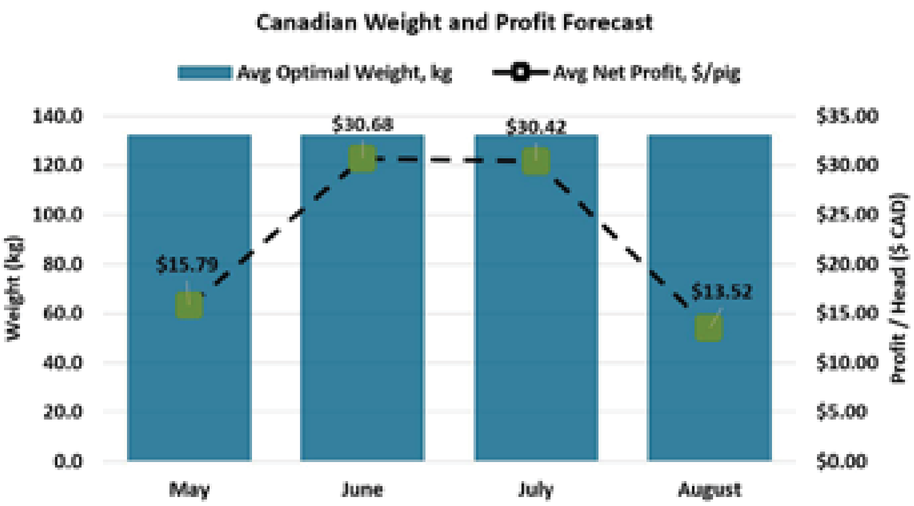


Figure 1

The checklist for pork producers on a daily basis is daunting enough before you even take market conditions and production constraints into account. Given the volatile nature of the industry, finding ways to optimize your profitability is no easy feat. A combination of strategic planning, market analysis and effective management practices is crucial.

Optimizing profits starts by connecting ingredient and diet decisions with marketing strategies. Clearly defined end goals are key to identifying those strategies. There are tools and a service in the marketplace that help you make the best decision when it counts, by using your data in real-time to better understand current and future economic considerations, determine optimum weights and first-cut forecasting, and scenario planning for your what-ifs.

Forecasting optimum weights to ship the pigs is one way Cargill's Producer Profitability tool and exclusively tailored advice from experts can help producers grab a few extra dollars, especially as summer months draw near.

Our four-month forecast *(Figure 1)* and associated variables *(Figure 2)* predict increasing market weights by two kilograms will maximize profits for producers from May through August. With a natural reduction in weight gain during summer months of about four-and-a-half kilograms per pig, producers really need to be picking up an extra six-and-a-half kilograms.

Summer strategies shouldn't be decided on during the summer; now is the time to start talking about which diet strategies will be best for your operation. Digital tools, such as Producer Profitability, are at your fingertips to help

Four-month simulation with high hog prices

Factor	May	June	July	Aug
Hog Price, $	$2.40	$2.52	$2.56	$2.39
Feed Price, $	$163.70	$162.64	$167.50	$164.83
Avg Optimal Live Weight, kg	132	132	132	132
Avg Net Profit, $/pig	$15.79	$30.68	$30.42	$13.52

Economic assumptions for modelling

Model inputs	Values
Start weight, kg	6.0
End weight, kg	132.5
Feed cost per kg gain, $/kg	$1.32
Last diet cost, $/tonne	$473
Yardage and labor, $/day	$0.16
Market weight CV, %	10%

Figure 2

you confidently capture every dollar. In an unpredictable industry where margins are narrow, every penny left in your pocket counts. Because nothing else matters, at the end of the day, if you aren't optimizing profits. ■

Ad Index