



Canadian Pork Council
Conseil canadien du porc

July 30, 2015

Mr. Laurent Pellerin
Chairman
Farm Products Council of Canada
Central Experimental Farm
960 Carling Avenue (Building 59)
Ottawa, Ontario K1A 0C6

Dear Mr. Pellerin,

On behalf of the pork producers of Canada, it is my pleasure to submit the attached proposal for the creation of a Canadian Pork Promotion-Research Agency to the Farm Products Council of Canada (FPCC). The Canadian Pork Council was asked by producers to coordinate and prepare this initiative. This request arose through their respective provincial organizations across Canada. It has indeed been our pleasure to facilitate this national exercise on their behalf.

We appreciate that this undertaking now enters a new phase of consideration, analysis, consultation and the eventual issuance of recommendations by the FPCC. We look forward to working with your organization in support of passage through this next step in the process.

On behalf of Canadian pork producers, allow me to thank you once again for your efforts on their behalf.

Yours sincerely,

Rick Bergmann
Chairman

**Proposal for the creation of a:
CANADIAN PORK PROMOTION-RESEARCH AGENCY**

Submitted to: Farm Products Council of Canada (FPCC)
Submitted by: Canadian Pork Council on behalf of
the pork producers of Canada
Submitted on: July 30, 2015

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CANADIAN PORK PROMOTION-RESEARCH AGENCY

Introduction

The purpose of this application is to propose the creation of a Canadian Pork Promotion-Research Agency (PRA or “National Agency”), consistent with the provisions of the *Farm Products Agencies Act* (the Act), Part III: Farm Products Promotion and Research Agencies. The objectives of the National Agency will centre on: (i) promoting the consumption of pork products in the domestic [Canadian] market; (ii) furthering development of export markets for Canadian pork; and (iii) supporting the conduct of scientific-technical and market research initiatives. These objectives are intended to strengthen markets for hogs and pork, optimize production efficiencies, increase domestic consumption and enhance financial returns from the marketplace to the benefit of participants across the Canadian pork value chain.

Individually, through their various provincial groups, Canadian pork producers fund an extensive series of market promotion, market development and research activities. The results of this work have been critical in enhancing the competitive position of the sector and in raising consumer awareness of the advantages pork can make in their diets. However, increasing complexity of the issues impacting the sector, their interwoven nature and the escalating cost of addressing these concerns means that a more strategic, coordinated approach is required.

The proposed National Agency will serve to coordinate the efforts of its members and demonstrate the advantages of economies of scope and scale. In addition, the make-up of the Agency’s Board will ensure the implementation of effective, common-sense solutions that focus on the needs of producers and consumers.

There are two primary reasons that support a need to create a National Agency. In several provinces the current levy being collected and spent on research, promotion and market development is decreasing. An agreed national levy amount will be more uniform, equitable and stable. Second, imports have never contributed towards the eligible activities. An equivalent levy, applied to live animals, pork or pork product imports, could be expected to generate up to an additional \$2 million-plus gross per annum (i.e., depending on compliance rates, minimal import thresholds that may be set, etc.).

The detail and substance as to how we plan for and hopefully achieve the successful implementation of such a National Agency is what follows in this proposal. The structure of this presentation is designed to mirror the Farm Products Council of Canada’s (FPCC) “Promotion and Research Agency Checklist”. A copy of the checklist is attached as ANNEX A.

1. Rationale

For purposes of this application the “promotion” element will include, but not necessarily be limited to, any one or more of the following activity areas: generic advertising, brand and market development; promotional activities and events; consumer education and awareness building (e.g., quality assurance undertakings including those rooted in carcass grading and traceability initiatives, animal welfare, nutrition, health, safety and product handling, environmental considerations); state-of-the-art development/use of social media platforms straddling the producer-consumer spectrum; producer outreach which is integral to translating findings arising from research to adoption and innovation, as well as providing an enhanced vehicle for producer feedback within the research loop.

For its part, the “research” component is intended to include: scientific, technical and market-related studies (e.g., improvements to the production cost base, improved environmental practices, enhanced production methods and marketability, improved animal health practices, consumer trends and tastes research); and delivery of research findings and analysis via internet and other outreach tools as noted above. The latter seeks to capitalize on results and analysis arising from any research source of relevance to the hog industry by facilitating transmission of knowledge, information, best practices and innovation to the sector in as efficient and timely a manner as might be possible.

The creation of a stable, uniform and equitable national levy system will underpin achievement of these objectives. Currently, provincial pork boards apply levies on market hogs at varying rates. Although the specific dollar amounts applied per hog differ, they are consistent in that 100% of the respective amounts levied by each province¹ are deemed “eligible” in terms of their usage-eligibility for the proposed National Agency (i.e., the amounts collected per hog are devoted *in toto* to either promotion or research). A common denominator amount is argued for below as a basis for adoption and dedication in support of the concept of a proposed uniform national levy.

There is no existing levy on imported pork products at this time. The creation of a National Agency administering a uniform national levy on domestic hogs will provide the basis, under international trade law, for the introduction of a levy on imports. This involves insuring consistency with the “national treatment” provisions of the GATT/WTO, NAFTA and other trade agreements as they may come into force. This will close the non-participation gap that imported products currently enjoy, and will provide for a supplementary funding source for the National Agency. Provincial boards would continue to use their existing levies to carry out eligible activities at the provincial level but would provide copies of their audited annual reports, prepared for their respective provincial supervisory bodies, to the National Agency.

The establishment of a National Agency is of direct interest to all participants in the value-chain including producers, processors, consumers and importers as follows:

Producers will benefit from...

- an expanded market, increased sales and improved margins anticipated from domestic and export market promotion initiatives;
- increased collaboration and cooperation among industry stakeholders (i.e., producers, processors, importers, exporters, distributors and retailers);
- equitable, more predictable and consistent financial support to fund research, market development and promotion activities in support of longer term business planning;
- increased and better market-targeted animal science and technical research aimed at improving production efficiencies and competitiveness of pork in domestic and foreign markets;
- increased research to identify emerging market trends and taste/product preferences in Canada’s 100-plus foreign pork markets (e.g., opportunities for differing breed-meat characteristics, production methods, animal welfare sensitivities to be addressed);
- increased capacity of producers to engage in the identification and priority-setting of market-return related research needs, and to convey these to appropriate governmental bodies or universities (e.g., Swine Innovation *Porc*)²;
- increased ability to address producer views, concerns and ideas related to the sector’s promotion and research activities in a holistic environment such as that provided by the [National] Pork Value Chain Roundtable³;

¹ The Provinces of Ontario and Québec differ somewhat in this regard due to their application of a marketing services fee.

² See: <http://www.swineinnovationporc.ca/>

- improved margins from the market by:
 - increased, more cost-effective and consistent promotion/messaging concerning positive attributes of Canadian pork relevant to specific/differing countries' wants;
 - dissipation of counter-productive interprovincial competition; and
 - further entrenching a unified overall positive image for pork;
- improved ability to showcase the positive attributes of the sector when attempting to promote and attract direct foreign investment;
- improved ability to more quickly identify and adopt sector innovations through enhanced provincial outreach efforts;
- greater economic returns generated for producers. Examples of red meat commodity study results in this vein include:
 - the national Canadian beef agency (Canada Beef Inc.) demonstrated an economic return to producers of \$9 per \$1 invested in marketing and research⁴;
 - Canada Beef Inc. has also reported that the total industry investment leveraged through its Market Development Program (i.e., collaboration with trade partners and brand licensees during fiscal year 2013-14) saw every Canada Beef \$1 result in industry partners expending \$6⁵;
 - “[...]As a rule, benefit-to-cost ratios for generic advertising programs reported by researchers across a broad range of commodities [in the U.S.] are in the range of 4:1 to 6:1, indicating that for each dollar of promotions at least 4 to 6 times that amount is generated in new revenues, profit, or ‘economic surplus’ to the industry....This rule seems to be relatively robust with a reported benefit-to-cost ratio for [*inter alia*] beef of 5.6:1; pork, 4.8:1; dairy, 4.6:1....”⁶;
 - “The overall rate-of-return on the Pork Checkoff Program is positive and significant. Using two separate methods of estimation of returns to producers, the net benefit-cost ratio over the period 1987-1998 was estimated to be between 4.8 and 26.2. This result is interpreted to mean that the estimated net return to the producer is at least \$4.79 per checkoff dollar invested.”⁷; and
 - “The overall point estimate generated for the marginal return to pork checkoff programs from [our] study is 13.8, which is within the range of estimates from Davis *et al* for overall average return (4.8 to 26.2), and just slightly below the

³ See: <http://www.agr.gc.ca/eng/industry-markets-and-trade/value-chain-roundtables/pork/?id=1385740744721>

⁴ Supplemental report to: *Evaluating the Economic Benefits from the Canadian Beef Check-Off*. John Cranfield, Department of Food, Agricultural and Resource Economics, University of Guelph, Guelph, ON. May 11, 2010. See: <http://www.canadabeef.ca/pdf/SupplementalReport.pdf>

⁵ The Canadian Beef Cattle Check-Off, *Annual Report 2013-2014*. Canadian Beef Cattle Research, Market Development and Promotion Agency (Operating as Canada Beef). Page 7.

⁶ Williams, Gary J. and Capps, Oral, “Overview: Commodity Check Off Programs”. *Choices*, published by the American Agricultural Economics Association. 2nd Quarter 2006, edition 21(2), page 59.

⁷ *An Economic Evaluation of the Pork Checkoff Program*. Davis, George C., Oral Capps, Jr., *et al.* Dept of Agricultural Economics, Texas A&M University, College Station, Texas. January 2001. Page ES 2.

value of 16 that they suggest using as an overall average return to the Pork Checkoff Program, 1986-1998.”⁸

Consumers will benefit from...

- increased pork industry understanding of and ability to factually and efficiently address consumers’ needs and concerns as-and-when they might arise (e.g., human and animal nutrition, animal welfare, quality assurance, animal health and environmental);
- heightened and more timely awareness of sector innovations (e.g., advances in the nutritional profile of pigmeat, new retail presentations including cuts, packaging, labeling and other technological improvements);
- better meeting emerging consumer wants and trends related to production inputs and/or methods of production such as organic or natural products, stricter controls on feed additives, animal welfare concerns, fact-based awareness of disease transmission potential like swine flu—H¹N¹, and the like;
- greater understanding and appreciation for the producers role, responsibilities and challenges faced regarding environmental stewardship and related concerns;
- enhanced education ranging from on-farm practices to safe in-home product handling and preparation;
- improved finger-tip access to current scientific-technical facts and figures related to consumer concerns and interests through improved web-based information and data bases, user friendly graphic presentations, an improved facility to garner consumer reactions, as well as to offer their own views...from animal production to food additives; and
- in short, building a credible, trusted and accessible source for science based facts, information and opinion on all matters related to the pork industry.

Importers (including processors and distributors) will benefit from...

- opportunity to play a greater direct participatory role in development and expansion of the Canadian domestic market for pork;
- increased ability to bring their unique perspective to bear on the formulation of research and promotional initiatives aimed at increasing demand for pork (including their knowledge and experience gained in global markets);
- immediate access to the results of research sponsored by the National Agency; and
- direct economic benefits from successes enjoyed in further expanding the domestic market for pork.

All pork industry stakeholders will benefit from...

- increased synergies, economies of scale and collaborative/consultative networks built across all sector stakeholders;
- more competitive and market-responsive industry;
- increased incentives to longer-term planning aimed at continued sustainable sector growth;
- more timely identification and adoption of innovative and improved new practices;
- improved access to new (and recurring) industry funding which better leverages other contributory sources, particularly in the science and technology research domain;
- introduction of fairer and more equitable domestic and import contribution system to better support research, development and promotion at the national and/or provincial level;

⁸ *An Economic Analysis of the Effectiveness of the Pork Checkoff Program*. Final Report. Prepared for the [U.S.]National Pork Board by RTI International (Robert H. Beach, *et al.*). RTI Project #0210314, February 2007. Page ES.12.

- offering a far-more efficient and effective single-window dissemination point for Canadian research results;
- improved access to industry funding and expertise for provinces challenged with a lesser resource base; and
- increased sales of hogs and pork to the benefit of producers' returns, as well as enhanced margins across the industry supply chain.

2. Need

The proposed Canadian Pork Promotion-Research Agency is being advanced in a context of considerably increased opportunities, both domestic and international, for pork products. Being able to take full advantage of these circumstances argues for a need to better marshal, coordinate and organize scarce promotion-research program resources.

Domestically, there are ever-shifting consumer health concerns, taste preferences and other issues already at play or evolving in the marketplace. Moving away from carbohydrate toward more protein based products, increased vigilance on healthful diets (e.g., salt and sugar intake concerns, preoccupation with antibiotic resistance), and further assurances sought re. product quality, and the like, illustrate this dynamic. There is a need for the sector as a whole to meet these challenges (and indeed the opportunities that they present) arising from growth in consumer awareness on health and safety-related food issues, and to address these through more targeted and timely research in an effort to provide thorough, more authoritative guidance.

Internationally, the Canadian pork industry is presented with a growing number of new tangible developments which will offer further improvements to global market access. Reduced or eliminated tariffs (e.g., those that will arise from Canada-EU Comprehensive Economic Trade Agreement—CETA and the Trans-Pacific Partnership--TPP currently being negotiated), more accommodating, predictable and uniform sanitary/phytosanitary (SPS), as well as further harmonization of technical standards, are illustrative. Capitalizing on these opportunities will require a coordinated and consolidated pork industry approach in order to generate the critical mass needed to be more effective on the export front. This includes the need for research to identify and remain abreast of the types of genetic innovations needed for new types of product (e.g., ranging from specific meat textures and tastes, more cost-effective inputs, elimination or alternative feed additives). This research likewise needs to cut across a plethora of market segments (i.e., lower income to high-end consumer retail markets, fast foodservice to the hotel-restaurant-institutional trade, to value-adding clients from Parma to Shanghai).

The third element presenting a need for the creation of a National Agency relates to pork imports into the Canadian market. Over the past five (5) years (2010-2014) Canada imported 198,000 tonnes of pork and pork products on average per annum. Live hog imports averaged a mere 2,600 head per annum over this same period⁹, but could increase in future with given improvements to the U.S. animal health status. As noted above, importers also stand to gain from a more concerted effort to grow the Canadian market. As a result, they should play a contributory and participatory role in the planning and direction of promotion and research initiatives.

Importers also bring their own particular perspective and expertise to bear in the development, implementation and consideration of the results arising from given projects. Consistent with the “national treatment” provisions of the GATT/WTO, the creation of a National Agency will provide the basis needed to remedy this gap. The collection of a promotion-research levy on imports will bring reciprocal treatment to bear on two key elements: (i) it allows imported products to share in the cost and benefit from market growth for pork in the domestic Canadian

⁹ Agriculture and Agri-Food Canada. Market and Industry Services Branch. Global Analysis. “Canadian Imports of Live Swine, Pork and Pork Products, 2010-2014”. Original source: Statistics Canada, CATSNET Analytics. March 15, 2015. (see: ANNEX C).

market; and (ii) it adds balance to a system which currently sees Canadian pork exports to the U.S. being subjected to an import levy, as administered by the [U.S.] National Pork Board (NPB).

The U.S. experience with the collection of a pork levy is relevant and worth highlighting. Its applicability to Canada centres on two key aspects. First, the U.S. is Canada's most important export market for slaughter hogs and pork products. In 2014, Canada exported some \$3.7 billion in pork and pork products of which \$1.5 billion (roughly 40%) went to the U.S. market. Live animal exports totaled \$491 million, all of which essentially went to the U.S. Second, the U.S. model is similar to that envisaged for Canada and thereby offers a potential degree of instruction as to how one might choose to proceed in building an effective Canadian National Agency.

The [U.S.] Pork Promotion, Research, and Consumer Information Order is authorized by the *Pork Promotion, Research, and Consumer Information Act of 1985*. The *Act* was passed in that year as part of the Farm Bill. The levy-funded Program became effective and assessments began in 1986. The *Act* required a producer/importer referendum within 24 months. This initial referendum was carried out in 1988 with 77.5% voting in favour of the Program.

Currently, the U.S. mandatory levy is set at \$0.40 per \$100 market value for all pigs sold in the U.S., as well as an equivalent amount on imported pigs, pork and pork products. With respect to U.S. imports of live animals, the term "market value" means the declared value for customs purposes. For pork and pork products, it refers to an amount which represents the value of the live animals from which these items were derived¹⁰. Using 2014 as the most recent data available, the dimensions of levy receipts from the NPB's "checkoff system" are summarized as total domestic receipts of US\$91.4 million, plus total receipts from importers US\$3.8 million. Importers therefore accounted for approximately 4% of total national U.S. receipts.

As with what is being sought by Canadian producers/importers, the U.S. NPB oversees the promotional and research basis for the Program¹¹. "Promotion" in the U.S. context means any action, including but not limited to paid advertising and retail or food service merchandising, taken to present a favorable image [...for pork], or to educate producers with the intent of improving the competitive position and stimulating sales [...of pork].¹² "Research" means any action designed to advance, expand, or improve the image, desirability, nutritional value, usage, marketability, production, or quality of porcine animals [...and pork], including the dissemination of the results of such research¹³. In short, the elements covered under the U.S. program will be seen to be closely aligned in the Canadian proposal in what follows under this proposal.

3. Producers/Importers Support

This proposal to create a National Pork Promotion-Research Agency is made pursuant to Part III of the *Act*. Specifically, it is being advanced by Canadian hog producers, as provided for under Section 7(1)(a) of the *Act*, through their respective national and provincial associations, as follows:

- Canadian Pork Council
- BC Pork Producers Association
- Alberta Pork Producers' Development Corporation
- Saskatchewan Pork Development Board
- Manitoba Pork Council
- Ontario Pork
- Fédération des producteurs de porcs du Québec
- *Porc* NB Pork

¹⁰ Subpart A—Pork Promotion, Research, and Consumer Information Order §1230.14 "Market value".

¹¹ The NPB is established under §1230.50 of the Order).

¹² *Ibid* at §1230.22 "Promotion".

¹³ *Ibid* at §1230.23 "Research".

- Prince Edward Island Hog Commodity Marketing Board
- Pork Nova Scotia

There is no significant pork production in the Province of Newfoundland and Labrador, nor are the producers organized in the Province under the auspices of a provincial board or similar organization (framed by provincial legislation). Additionally, there have been no services provided to producers by the CPC since the Province's inspected slaughter facility was closed in the early 1990s.

The Canadian Pork Council (CPC), on behalf of pork producers across Canada, has led the development of this application which would see the creation of such an autonomous National Agency. The Agency would fund its organizational and administrative requirements, as well as its specific program initiatives, through the inclusion of imported pork products within the ambit of the national levy system. As a federation of nine provincial pork industry associations, the CPC's purpose is to play a leadership role in achieving and maintaining a dynamic and prosperous Canadian pork sector. Support for the creation of the proposed new Promotion-Research Agency is consistent with this "leadership" mandate.

Pork producers in provinces authorized their provincial representatives to develop a proposal for a Canada-wide promotion and research agency. Even though the Agency would encompass existing provincial levies within a national management framework, as well as introduce an equivalent levy on imported pork products, there would be no powers assigned to regulate quantities of production or hog prices, nor to license producers. The Agency would provide a vehicle solely to raise funds through a levy system and to use these funds in a more coordinated and strategic manner to the benefit of the Canadian pork industry as a whole.

The proposal reflects the results of several years of work devoted to ensuring that an agreed feasible pragmatic plan can be implemented with the support of producers at the provincial level. Cross-industry support for the Agency has been, and will continue to be, sought through the following steps:

- relevant public documents being made available through the CPC and provincial pork boards to industry stakeholders; and
- presentations delivered to industry stakeholders at provincial pork boards annual general meetings and/or board meetings, the [government-industry] Pork Value Chain Roundtable, the Canadian Meat Council, and Canada Pork International.

In light of the above, it is suggested that this proposal meets the requirements of the *Act* [Section 39(1)], whereby "The Governor in Council may, by proclamation, establish a promotion-research agency [...as a result of satisfaction] that...the majority of the aggregate of producers and importers...is in favour of the establishment of such an agency."

4. Support Statistical Evidence

- The concept of this proposal has been raised at respective Annual General Meetings of the provincial hog/pork boards, as well as the Canadian Pork Council. The authority held by respective boards are set-out under provincial legislation. As duly elected representatives of their provincial producer memberships, decisions have been left to the powers carried by these boards regarding the voicing of their support and/or concerns for this initiative. Letters received from the boards (and any other relevant organizations) to this effect are provided in ANNEX I.
- Discussions with import and export community have been held under the aegis of the Canadian Meat Council (CMC) and Canada Pork International (CPI). Both CMC and CPI

have communicated their support for the creation of a National Agency. Letters of support are likewise included under ANNEX I.

5. Local Support

Full stakeholder participation has remained a fundamental principle in creating this Agency. Questions, supportive comments and criticisms have been encouraged, received and considered in making every effort to strengthening the viability and eventual success of this new pork industry marketing and development tool. A working relationship between national and provincial organizations will be sustained and iterative in order to continue building a responsive, adaptive and successful producer body. This intention will be clearly reflected in the geographic composition of the Agency's Board (below).

6. Product

The products defined for inclusion under the Agency's levy authority will include all domestically reared live hogs presented for slaughter at inspected establishments. This will support a continuance of what the provincial boards currently do. As well, all imported pork and pork products falling within the HS Code definitions, as detailed in ANNEX D, will be levied at the same absolute rate of 75¢ per hog, converted via the weighted ratios as detailed below under sub-heading number 10 (Budget).

7. Production

There will be no producer-production thresholds that will trigger participation in the mandated levy program. Rather, all domestically reared hogs presented for slaughter at inspected establishments will be subjected to the levy. This retains the existing basis, established and managed by respective provincial boards or similar organizations, for levy eligibility and collection.

All live animal and pork product imports may be assessed a levy without regard to a minimum threshold volume or value of imports. The products will be levied on a *pro rata* basis consistent with the product's description (i.e., the 6 or 8-digit HS Code definition), the carcass-weight conversion factor attributed to the tariff line's description, and the 75¢ per hog domestic levy. The conversion factor-details for calculating the levy are provided below under sub-heading number 10 (Budget). For pragmatic reasons related to efficiency and costs, the Board (in consultation with AAFC/CBSA) may choose to define and implement an import threshold value or volume below which no levy would be applied. For example, it is understood that such a threshold exists for some Canadian imports already covered under the *Act*, which is set at \$100 per month. However, should the cumulative amount exceed \$100 within the levy-year, then an invoice is issued to the importer. The Board will give due consideration to such options as experience with the application and collection of the levy evolves.

8. Industry Fundamentals

A summary of key statistical information and analysis relevant to the evolution and current dimensions of the Canadian pig and pork industry is provided in ANNEX E attached.

9. Implementation Plan

Following the proclamation establishing a National Pork Promotion-Research Agency by the Governor-in-Council (GiC), the Agency's interim board will move to:

- A) Within its first three (3) months:

- set-out timing, procedure and terms whereby a permanent board and senior officers would be established, engaged and confirmed, as appropriate;
- establish an anticipated initial budget for the Agency’s operations during the first fiscal year;
- initiate the collection of import levies as mandated by the proclamation.

B) Within its first six (6) months:

- implement a promotion and research plan consistent with the terms of the GiC proclamation and the objectives of the Agency;
- consistent with Section 29 of the *Act*, set out a financial accountability framework and a financial management system whose good operations lend themselves to ensuring a successful and effective annual audit process.

C) Within its first 6-12 months:

- Consistent with Section 30 of the *Act*, prepare and submit an Annual Report to the Council and the Minister within three (3) months of the end of the fiscal year (as eventually defined). The Minister shall cause the Annual Report to be laid before Parliament.

10. Budget

A) National levy rate and returns

The levy rates and categories of animals to which levies are applied vary between provinces. However, a common denominator between provinces is the application of a mandatory levy on market hogs. The total provincial levies applied to market hogs range between \$0.80 - \$1.17 per hog. For the fiscal years documented, levies were collected on the vast majority of Canadian market hogs produced.

In order to identify a national levy and a levy on imports, it is necessary to identify the eligible levy for each of the provinces (i.e., the portion of provincial levies used to finance eligible activities). Therefore, based on provincial levy profiles (ANNEX F), Table I summarizes the amount used to finance promotion-research, in each province.

Total of provincial levies applied to market hogs and the amount deemed eligible are the same for all provinces except for Quebec and Ontario. For these two provinces, the differences result from the application of a marketing service fee. The minimum levy deemed eligible for all provinces in order to have equitable treatment in establishing a levy on imported pork is deemed to be 75¢ per market hog. This includes 5¢ less than lowest provincial amount reported as eligible in order to include an additional financially conservative feature to the calculations that follow.

Table I. Summary of Levies Charged by Provincial boards to Canadian Farmers on Market Hogs

	PROVINCE								
	BC	AB	SK	MB	ON	QC	NB	NS	PEI
Total of provincial levies applied to market hogs (\$/market hog)	\$1.00	\$1.00	\$0.85	\$0.80	\$0.95	\$1.17	\$1.00	\$1.60	\$1.23
- Amount deemed eligible (\$/market hog)*	\$1.00	\$1.00	\$0.85	\$0.80	\$0.95	\$0.95	\$1.00	\$1.60	\$1.23
- Minimum common amount deemed eligible (\$/market hog)	\$0.75								

*Amounts indicated are for research, development and promotion activities, as defined at the outset of this proposal, and consistent with the *Act*.

The budget for a given provincial board can be marshaled under three broad headings:

- core commitments for “eligible” activities (i.e., promotion and research, including extension/education activities needed to give effect to various results or objectives at the farm level);
- operations to support core commitments (e.g., salaries, travel, per diems, office supplies and equipment, support staff, rent); and
- external commitments to support core activities (e.g., CPC, CPI, National On-Farm Programs, Swine Innovation *Porc*, etc.).

The 75¢ portion of the total levy currently collected by the respective provincial organizations that is paid-out through eligible promotion-research activities is the *de facto* national levy standard that is suggested for implementation across Canada. Provinces will continue to operate their respective methodologies related to overall collection, management and allocation of their respective levy funds, but with additional clarity/transparency (as might be considered necessary) so as to demonstrate that meeting the minimum 75¢ threshold for promotion-research activities has been achieved.

In short, the objective of this approach is to minimize redundancies by identifying and using existing levy collection and management systems to support the national base for a National Agency. Subsequent audits or reviews will no doubt identify whether any particular fine-tuning adjustments might be warranted. Based on the average number of federal/provincial inspected hogs slaughtered 2010-2014¹⁴ of 20,887.1 thousand head, the total domestic slaughter levy-return identified as a component of the national promotion-research system is estimated at \$15.665 million.

B) Import levy rate and returns

The existing minimum provincial levy identified for eligible activities (i.e., 75¢ per hog) is used as the basis to calculate the total amount that might expect to be collected on imported pork. This involves taking account of several conversion coefficients in the steps required to place imported products on a per hog basis.

Revenue estimates are calculated based on a 5-year average of Canadian pork imports for the period 2010-2014. Live hog imports are dismissed from the calculation as negligible. Where possible, pork meat imports per their respective Harmonized System (HS) Code were converted to an equivalent number of live hogs using the following formula¹⁵:

- Pork meat imports per HS Code (kg)
- x Import (trade) volumes to cold dressed carcass weight conversion factor¹⁶
- ÷ Hot-to-cold carcass weight conversion factor
- ÷ Average live hog weight (kg)

¹⁴ See: ANNEX E Pig Industry Statistics “Inspected Hog Slaughter”. Page 7.

¹⁵ See: Gilbert Lavoie *et al*, “Total Revenue Estimates Using a Fixed Levy per Market Hog” in *Cost-Benefit Analysis and Preferred Approach for the Establishment of a Canadian Pork Research, Market Development and Promotion Agency*. Forest Lavoie Conseil Inc. St-Lambert (QC). March 27, 2013. Page A3-1.

¹⁶ AAFC advises that the “Trade volumes to cold dressed carcass weight conversion factors” established using the methodology described in an article published in 1989. See: Hewston, G. and B. Rosien. “A new methodology for estimating pork consumption on a carcass and retail weight basis.” *Food Market Commentary*. Vol. 11(2), Agriculture Canada, 1989, pages 18-26.

Table II. Estimated Funds from Domestic Slaughter and Imports (based on 5-year averages)

Total provincial levies (75¢/hog)	\$15.665 million
Total import levies (75¢/hog equivalent) ¹⁷	\$2.02 million
Estimate of total annual budgetary funding base	\$17.685 million

Specific programs and activities of the National Agency would be funded through the levy collected on imports. It is noteworthy that the funding inflow does not take into consideration the potential for leveraging additional funds in shared initiatives with governmental agencies or other specific programs that meet the promotion-research objective of the National Agency. For example, Canada Beef Inc. notes that while the national check-off provides the core industry funding for research and marketing, it does not fully cover the costs of all programs and activities. Supplementary funding is obtained by leveraging the national check-off, in order to attract \$6 for every \$1 of producer check-off funds.¹⁸

For both domestic production and imports, Section 7(1)(j) of the *Act* allows the FPCC to assist national agencies in ensuring that persons involved in the production or importation of a regulated product are contributing their share of levies.

C) Managerial/administrative costs

A notional estimate of the necessary financial outlays related to the National Agency’s annual operating expenses is provided in ANNEX H. These amount to an estimated \$240 thousand per annum, or approximately 12% of the estimated total annual budgetary funding base of the national program. At this juncture, it is therefore estimated that a balance of roughly \$1.8 would be at the disposal of the National Agency to pursue relevant promotion-research initiatives of the type envisaged under the *Act*.

11. Levy Functions

The existing provincial levies on market hogs underpin the basis for a national levy to be collected on imports. They provide the necessary *de facto* foundation required to meet Canada’s “national treatment” obligations under international trade law.

Provincial hog boards would continue to use their existing levies to carry out eligible activities at a provincial level. They would undertake to support the National Agency by providing it with the annual reports prepared for respective provincial supervisory boards. Included in these annual reports would be the audited accounting for levy collections, promotion-research expenditures (i.e., “eligible activities”) and administrative/management costs relevant to the provinces’ initiatives in this regard.

As the manager of the national program, Agency funding sourced via the import levy component and disbursements from same, will likewise be audited as a joint and integrated component of the national levy system.

A legal agreement will be required in order to formalize the relationship between each provincial pork organization and the National Agency. The Agency will not collect a national import levy

¹⁷ Based on ANNEX G, “Total Revenue Estimate Using a Fixed Levy per Market Hog.”

¹⁸ See: Canada Beef Inc. at <http://www.canadabeef.ca/ca/en/corp/national.aspx>, para 6.

until all nine (9) provincial pork associations have endorsed an agreement which integrates levies at both levels into a comprehensive management structure.

Specifically with respect to “levies”, the contract or agreement between provincial and national agencies could include, but would not be necessarily limited to:

- rate of levy;
- levy allocation—including the ability to vary the allocation or share among groups eligible for funding;
- promotion and research business plans for provincial and national agencies; and
- reporting and audit requirements for the provinces and National Agency.

12. Levy Responsibilities

Provincial pork agencies are long-established, well structured, mandate-driven organizations. As noted above, they all collect levies on the vast majority of their production sold in intra-provincial, inter-provincial and export trade. These levies are collected either directly from producers, or through processors. The establishment of a National Agency would require these existing provincial levy systems to clearly account for 75¢ per hog (i.e., the current minimum fixed-levy common denominator across all provinces in terms of collected funds being devoted to the promotion-research function, including an additional 5¢ margin of financial conservatism as previously described). In most (if not all) cases, this is already done through provincial agencies’ respective annual reports and audits. This reporting element would simply allow for a consolidation exercise (with fine-tuning as might be considered necessary over time). The process will not impinge on the authority, autonomy, mandate or levy-revenues of the various provincial agencies.

For provincial boards whose operations are funded by a provincial levy, the National Agency could (for one or more interested provinces) use its authority to extend the provincial levy into inter-provincial or international trade. Buyers would collect and the revenue would be retained/returned to the provincial associations/agencies for the funding of their operations. The National Agency could also accept delegated authority from a provincial agency to impose levies on inter-provincial trade, subject to reaching an appropriate memorandum of understanding (MOU).

Illustrative of how revenue acquired from a provincial levy is distributed over the course of a year, is an analysis conducted by Saskatchewan Pork in 2010. The Saskatchewan levy at the time was 75¢ per head for market hogs, sows and boars. Although this data analysis is slightly dated, it is believed to still provide the distribution per activity that approximates today’s conditions across the provinces:

Research	34.3%
Pork Promotion	8.2%
Producer Communications	11.0%
Public Relations, Networking	9.1%
External Commitments & International Mkt Development	25.3%
On-Farm Food Safety Program Administration	6.2%
Industry Development	5.8%
Hog Marketing & Logistics	0.0%
Other	<u>0.1%</u>
TOTAL	100.0%

As can be noted in the above example, the provincial breakdown includes an activity/element that goes to support the CPC. In 2015, the CPC has a budget of approximately \$3.5 million drawn from the provinces to support its national activities. This budget is based on a funding

levy of approximately 18¢ per market hog applied to each member province (although this amount may differ between provinces given the slight variation in programs that each is engaged in). A breakdown as to where these producer levies are focused once they are assembled at a national level (i.e., in terms of what will be “eligible activities” under the National Agency) are illustrated here using 2015 data for the Province of Manitoba:

	<u>Distribution by CPC</u> ¹⁹	<u>In ¢ per Hog</u>
Memberships	1.9%	0.235
Traceability	1.1%	0.136
Trade Access & Development	46.5%	5.750
Human Nutrition	4.0%	0.495
CQA (on-farm food safety program)	10.1%	1.249
Animal Health	8.1%	1.002
Swine Innovation <i>Porc</i>	20.2%	2.498
Domestic Marketing	<u>8.1%</u>	<u>1.001</u>
TOTAL	100.0%	12.366¢

In this example, Manitoba currently contributes 18¢ per hog to the national levy in funding support for the CPC. Roughly 31.3% of that amount goes to funding the CPC’s “core operations” (i.e., 5.63¢), leaving 12.366¢ for activities deemed eligible under the promotion-research program (see distribution above). Therefore, *de facto* the Manitoba Pork Council contributes 12.366¢ via the CPC to “eligible activities” and therefore required to only distribute 63¢ on eligible activities within the Province in order to meet the minimum 75¢ provincial levy common denominator. This means no change in the levy amount being applied to producers, and no change in the distribution of the levies from a provincial perspective in terms of meeting the 75¢ promotion-research national common denominator.

The National Agency would administer the collection of levies on imported hogs, pork and pork products. In order to do so, the Agency would seek the necessary authorization to access customs information so as to directly invoice importers. It is anticipated that the same arrangement which allows the national beef and cattle check-off PRA to access the Canadian Border Services Agency (CBSA) customs information via Agriculture and Agri-Food Canada (announced July 30, 2014)²⁰ would also lend itself to a pork-based Agency.

Importers would be required to submit funds gathered through the levy to the National Agency, based on an invoice issued monthly or quarterly.

13. Annual Report

Typically, the Annual Report process will include:

- an audited report on the financial statements of the National Agency (including identification of any specific gaps, errors, omissions or any operational areas requiring additional improvement, etc.);
- a summary action plan as to how the Agency intends to address and remedy any identified financial structure and reporting weaknesses, as approved by the Board of Directors;
- consistent with the powers provided for in Section 42(1) of the *Act*, regarding development, approval and implementation of a promotion and research plan: report on progress against identified goals/objectives of the plan over the course of the review year, discuss specific challenges met or that require further addressing, and offer any

¹⁹ The distribution of provincial funds already received by CPC from the Manitoba Pork Council, and expended by the CPC to “eligible activities” at a national level.

²⁰ “Farm Products Council of Canada Announces Beef Import Levy.” News Release Article from AAFC, July 30, 2013. See: <http://news.gc.ca/web/article-en.do?nid=808249>

amendments to the plan that might be expected to correct any negative deviations that have or are expected to impact the plan in the coming year;

- an overview of national program performance and/or achievement objectives and an assessment as to whether these were met [i.e., the national program being the composite of three distinct components: (i) market development and promotion; (ii) scientific, technical and market research; and (iii) provincial research, market development and promotion, including extension services]; and
- a consolidation of audited Annual Reports received from provincial boards or associations, are to be an integral component or foundation of the overall annual reporting mechanism.

14. Promotion and Research

The Agency will undertake to implement a grouping of promotion and research initiatives based on an annual promotion and research plan. The plan will be prepared and submitted for the consideration and approval of the Agency's Board of Directors. The plan will include a consolidation of provincial initiatives, coupled with those to be undertaken and managed directly by the National Agency. Following such approval and consistent with FPCC "powers" elucidated under Section 7(1) of the *Act*, the plan will then be submitted to the FPCC for consideration and guidance *vis-à-vis* consistency with the authorization provided in the eventual Proclamation of the Agency and the object of the Agency as provided for under Section 41 of the *Act*.

Initiatives will be prioritized within the limits posed by available funding, urgency, and the ability/opportunity to leverage additional resources (e.g., from governmental programs, public private partnerships, etc.). The latter will be encouraged so as to maximize benefits arising to the sector as a whole from the funding to be expended.

In terms of the "promotion" portion of the annual plan, the Agency will seek to implement a comprehensive array of activities delivered both through provincial agencies and Canada Pork—Canada Pork International. Potential elements will include the likes of: generic advertising and promotion campaigns (e.g., supporting retailers in both domestic and foreign markets with specific activities aimed at increasing market share and sales of Canadian pork and enhanced product promotion efforts through the foodservice sector); consumer information, education and awareness-building endeavors (e.g., features on TV or online food networks encouraging food safety handling, knowledge of cuts and their respective best uses, and pork preparation techniques); trade and consumer show participation (e.g., ensuring a vibrant and aggressive presence for Canadian pork exporters at key world-class venues such as ANUGA Cologne, SIAL Paris, SIAL-China, Food Hotel China (Shanghai) and Asia (Singapore), Expo Carnes (Mexico), and Supermarket Trade Show (Tokyo)); supporting and involving front line foreign market expertise through Canada's posts abroad (e.g., organization and hosting of incoming buyers missions, outgoing Canadian exporters targeted missions, better equipping the sector with timely market and trend development information); recipe development (e.g., recipes that communicate the specific advantages of pork's usage for certain cuts in specific markets, translations of preparation methodology given the wide diversity of Canada's foreign market presence, etc.); and the likes of technical Canadian pork seminars hosted in foreign markets, and hosting incoming veterinary missions to mention but a few activity areas. In short, these reflect a sampling of the broad range of information and knowledge dissemination efforts in which the Agency and its provincial partners expect to engage or augment.

A focus on greater adoption and usage of existing or new (as they arise) social media platforms will be priority as timely and effective communications tools. This approach will be developed and particularly applied to new initiatives aimed at educating/informing producers with the intent of improving their competitive position and stimulate increased sales of pigs, pork and pork products. Greater usage of such direct and more timely communications mechanisms, is expected

to foster additional innovation and better disseminate knowledge related to best production and marketing practices aimed at the production base of the sector.

The “research” element will focus on two fronts. First, scientific and technical investigations which will seek to provide an enhanced basis of support to pork’s marketable image. This applies to initiatives aimed at raising consumer perceptions and awareness in such areas as quality, healthfulness, food safety, environmental friendliness and animal welfare-positive attributes of Canadian pork. These will range broadly from the likes of considering benefits that might arise from new dietary/feed formulations, measures to further reduce animal stressors, breed development/attribute differentiation, improved disease management and control measures, to traceability challenges, verification standards with respect to claims (e.g., organic, natural, antibiotic free, and the like), and quality assurance initiatives. The key objective will be to generate results that enhance the overall marketability of pork.

Second, the research element of the annual plan will also allow for market studies to investigate consumer perceptions and wants, as well as identify any challenges (and their potential solutions) which do/could undermine physical product delivery, retail presentation and heightened consumer acceptance of pork products. As a premier global pork exporter to over 100 country markets, the Canadian industry needs to remain at the vanguard of developments in this diverse and considerable array of foreign markets.

Research initiatives will help ensure maintenance of the Canadian industry’s competitiveness in domestic and foreign markets through more timely adaptation, innovation and information dissemination of results to producers. Integral to capitalizing on the benefits (i.e., new/improved science and technology, consumer “wants” identification, etc.) will be the effective dissemination of knowledge and information to producers in order to foster innovation and adaptation. The promotion-research annual plan will, therefore, incorporate provincial extension services as key participants in results delivery, education and implementation. As well, within the annual plan the pork producers’ National On-Farm Programs mechanism will play an important role in terms of its linkages to quality assurance objectives. Swine Innovation *Porc*²¹ is likewise well-positioned for consultation and involvement in setting priority research targets, and as an additional program delivery mechanism.

It is understood that this initial framework will adapt over time as issue areas are resolved and new/emerging challenges and science-based technical advancements are identified. A high degree of flexibility and nimbleness which allows for adaptation in a timely manner will be essential to maintaining a competitive advantage in the ever-evolving domestic and global marketplace.

15. Board Members

The Canadian Pork Promotion-Research Agency’s Board will be comprised of producer and importer interests:

- The Agency’s Board will emulate the current national producer representatives’ structure of the Canadian pork industry. This is roughly weighted by the size of respective provincial production bases. The Board will therefore comprise 10 producer representatives as follows: Maritime Provinces (1), Quebec (2), Ontario (2), Manitoba (2), Saskatchewan (1), Alberta (1) and British Columbia (1).

²¹ Swine Innovation *Porc* is a not-for-profit corporation committed to facilitating research in the Canadian swine sector. Its main objective is to enhance the profitability and sustainability of the pork industry by supporting the development of the most innovative technologies that will benefit the pork value chain.

- The varying business structures of importers include brokers and traders, domestic-based packers, manufacturers, processors and retailers. Table II (as seen above in Section 10) provides a 5-year annual average of what the total levy collection would have been under the proposed model across this time span. Imports would contribute approximately 11% of the total annual levies collected. This suggests a rationale for allotting an additional 1 full-voting Board member be appointed to act on behalf of the import community.

The producer representatives shall be nominated and appointed to sit on the Agency's Board, on an annual basis. These appointments shall be based on a list of nominees (all residents of Canada) submitted by provincial pork boards (or their equivalent provincial producer organizations).

The National Agency will reach-out to pork importers in order to solicit their interest in representing their market segment's perspective on the Board.

The nomination or appointment of an Agency board member may be revoked at any time by his/her sponsoring body. As noted, the appointment of 11 Directors will reflect representation from producers across Canada and importers.

The Agency's Board of Directors will be responsible for:

- usage/disbursement of funds received via import levies;
- review and adjustments to national levy rates;
- approval and implementation of an annual national promotion-research plan;
- review of provincial and national promotion-research plans;
- review of provincial promotion-research program reports;
- review of reports produced by Swine Innovation *Porc* and Canada Pork--Canada Pork International;
- approval of the annual audit report and/or address any observations or concerns;
- preparation and approval of the Agency's Annual Report to Parliament; and
- ensure due diligence on the part of the Agency to meet relevant federal statutes, regulations, standards and procedures.

The Agency's organizational structure will include:

- A Chair of the Board who shall be the Chief Officer of the Agency. The Chair shall be elected by Board Members and preside over all meetings of the Board of Directors. He/she shall ensure that all orders arising from resolutions of the Board are given effect. He/she will provide leadership and direction to the Board and act as primary spokesperson for the Agency unless otherwise delegated and agreed. The Chair will also carry responsibility for the overall integrity and public image of the Agency, and ensure close consultation with appropriate stakeholders on all matters that may relate to the good operation and efficacy of the organization.
- The Secretary/Treasurer shall be elected by and responsible to Board Members for reporting in a timely manner on all matters relevant to the financial conduct and management of the Agency and its programs (i.e., including required financial statements). Financial operations will be supported and implemented through contracted resources on a negotiated fee-for-service basis.
- The Chair and Secretary/Treasurer officers shall initially be appointed by a resolution of the Board at its first meeting, following the Annual General Meeting. Subsequent renewals or new appointments will be at the discretion of the Board, as and when it considers appropriate.

- A key objective of the Board will be to minimize administration costs and duplication. Best efforts will therefore be made to take full advantage of structures and support resources at both the national and provincial levels.
- The Agency, at its own expense, will undertake best efforts to obtain and maintain Directors' and Officers' liability insurance in amounts to be determined by the Board.
- The Board will set-out in detail those agreed procedural, legal and ethical matters of pertinence to the effective and efficient functioning of its operations and members. This would include governing the likes of conflict of interest parameters, quorum requirements, minimum meeting participation rates by individual members and the like, as and when identified.

16. Preliminary Board Composition

There will be a transitional Board appointed consisting of eleven (11) Members to reflect producers (10) and importers (1). The transitional Board will inaugurate the process of establishing a permanent Board. The transition phase is expected to require 6-9 months.

ANNEX A

Promotion and Research Agency Checklist²²

Requirement	Details	Included (✓)
MANDATORY		
1. Rationale	Detailed motivations behind this proposal and how it will be in the interest of producers, consumers and importers (where applicable).	
2. Need	The need for a PRA is clearly established and is in the public interest.	
3. Producers and Importers Support [FPAA 39(1)]	Evidence showing that the majority of the aggregate of producers or, where import trade is included, the majority of the aggregate of producers and importers, in Canada or in the region to which the proclamation relates, is in favour of the establishment of such an agency.	
4. Support Statistical Evidence	The majority support has to be clearly demonstrated by the applicant; supported by relevant documentation and significant statistical data, where applicable.	
5. Local Support	Provincial and regional organizations with the legal authority to collect a levy have demonstrated their support (i.e., endorsement letters).	
6. Product	The product or products are clearly defined.	
7. Production	Production and importation thresholds are proposed and justified.	
8. Industry Fundamentals	Complete information on the volume of product produced per year per producers, processors and volume imported by importers.	
9. Implementation Plan	The applicant sets out the timelines and milestones for the establishment of the agency.	
10. Budget	A preliminary budget is provided showing how the agency is to conduct its operations on a self-sustaining financial basis and determine how the levy is to be used.	
11. Levy Functions	Explain how the levy system would work in each participating province, and where relevant on imports, who would be responsible for managing it and how funds would be administered.	
12. Levy Responsibilities	Is the levy collected by a group of regional organizations or the national organization? Is it mandatory or refundable? Does it apply to imports?	
13. Annual Report	Details on what will be included in the PRA's annual report to Parliament.	
14. Promotion and Research	The terms of the promotion and research plan that the agency is seeking to implement, such as research and development activities, advertising campaigns, and promotion for the product.	
15. Board Members	The PRA fixes the number of members (3 to 16) of the agency and provides for the manner of their appointment.	
16. Preliminary Board Composition	A majority of the members of the agency shall be primary producers and importers of the the designated farm product, in proportion to the share of each such group in aggregate of the total national production and import in keeping with the FPAA requirements.	

²² Source: *Promotion and Research Agencies Establishment Guidelines*. Farm Products Council of Canada.

ANNEX B

List of Abbreviations

AAFC	Agriculture and Agri-Food Canada
<i>Act</i>	[Canada] <i>Farm Products Agencies Act</i>
National Agency	Promotion-Research Agency <u>or</u> PRA
Council	Farm Products Council of Canada <u>or</u> FPCC
CPI	Canada Pork International
CPC	Canadian Pork Council
CSHB	Canadian Swine Health Board
FPCC	Farm Products Council of Canada
GATT	General Agreement on Tariffs and Trade
HRI	Hotel, restaurant and institutional segment [of the pork market]
HS	Harmonized System of tariff classification
NAFTA	North American Free Trade Agreement
NPB	[U.S.] National Pork Board
PRA	Promotion-Research Agency <u>or</u> Agency <u>or</u> National Agency
SPS	Sanitary and phytosanitary [matters/measures]
WTO	World Trade Organization

ANNEX C
Canadian Imports of Live Swine, Pork and Pork Products (all countries)

HS Codes and Description	Quantity (Number of Head)					
	2010	2011	2012	2013	2014	5-year average 2010-2014
0103 91 0000 - Swine, live, except pure-bred breeding, weighing less than 50 kg	434	359	448	191	1,488	584
0103 10 0000 - Swine, live, pure-bred breeding	1,827	2,114	1,638	977	787	1,469
0103 92 0000 - Swine, live, except pure-bred breeding, weighing 50 kg or more	643	941	342	203	727	571
Total	2,904	3,414	2,428	1,371	3,002	2,624

	Quantity (Kilograms)					
	2010	2011	2012	2013	2014	5-year average 2010-2014
0203 19 0099 - Swine cuts, fresh or chilled, nes	65,539,593	75,233,726	87,181,166	77,280,379	73,360,253	75,719,023
1602 49 9000 - Swine meat & meat offal, excl livers, nes,incl mixtures,o/t in cans/glass jars	10,340,268	14,074,778	16,777,586	18,706,245	21,358,802	16,251,536
1601 00 9010 - Pork sausages	13,088,424	13,784,206	15,621,263	12,949,957	15,082,667	14,105,303
0203 19 0020 - Swine back ribs, fresh or chilled	16,718,848	9,361,842	11,231,240	10,054,153	9,656,120	11,404,441
0203 29 0090 - Swine cuts, frozen, nes	8,724,061	12,899,165	16,736,222	11,957,919	13,341,386	12,731,751
1602 41 9000 - Hams and cuts thereof, of swine, prep or preserved, o/t in cans/glass jars	3,096,809	3,653,375	4,534,231	7,959,934	7,332,846	5,315,439
0203 29 0020 - Swine back ribs, frozen	4,512,123	5,962,110	7,567,583	8,348,935	8,574,951	6,993,140
0210 11 0000 - Hams, shoulders and cuts thereof, of swine, with bone in, cured	6,015,968	6,697,248	8,180,876	7,859,059	6,310,765	7,012,783
0210 19 0000 - Meat of swine, nes, salted, in brine, dried or smoked	0	0	7,539,342	6,261,001	3,925,971	3,545,263
0210 12 0000 - Bellies, streaky and cuts thereof, of swine, cured	538,116	2,999,431	5,411,034	3,368,546	4,346,167	3,332,659
0203 19 0091 - Swine cuts, processed, fresh or chilled, nes	10,369,895	10,976,993	9,856,450	8,364,005	5,700,401	9,053,549
0203 19 0010 - Swine spare ribs, fresh/chilled	4,629,981	4,657,299	4,172,858	2,866,396	3,694,899	4,004,287
1602 42 9000 - Shoulders and cuts thereof, of swine, prep or presvd, o/t in cans or glass jars	290,608	486,435	632,464	1,387,359	1,396,204	838,614
0504 00 0012 - Sausage casings of hog, whole or in pieces	1,269,787	1,463,621	1,482,646	1,386,791	1,578,714	1,436,312
0206 49 0000 - Swine, edible offal, frozen, nes	5,871,625	5,289,249	8,214,834	7,523,337	8,740,006	7,127,810
1602 49 1011 - Luncheon meat, of swine, in cans or glass jars	806,522	1,170,778	1,526,058	1,220,768	1,558,881	1,256,601
1602 49 1020 - Prepared meals, of swine	1,285,942	536,951	629,032	607,577	1,132,356	838,372
0206 30 0000 - Swine, edible offal, fresh or chilled	15,522,107	12,939,779	9,593,860	8,945,825	4,367,176	10,273,749
0203 12 0000 - Hams, shoulders and cuts thereof, of swine, bone in, fresh or chilled	1,685,624	2,051,582	997,762	929,914	1,357,678	1,404,512
1602 41 1000 - Hams and cuts thereof, of swine, in cans or glass jars	543,384	359,746	218,887	158,990	461,751	348,552
0203 29 0010 - Swine spare ribs, frozen	1,708,533	1,157,766	691,807	1,236,835	338,186	1,026,625
1602 49 1019 - Swine meat and meat offal, excl livers, nes, incl mixtures, in cans/glass jars	304,668	354,855	391,588	613,870	273,753	387,747
0203 22 0000 - Hams, shoulders and cuts thereof, of swine, bone in, frozen	134,740	237,200	451,951	346,743	218,767	277,880
1501 10 0000 - Lard, other than of headings HS #0209 or 1503	0	0	470,406	578,061	580,642	325,822
0209 10 0000 - Pig fat,lean meat free,not rendered or o/w extrc,fr/chd/frz/salted/in brine/dried/smoked	0	0	205,103	135,817	258,482	119,880
0203 11 0000 - Swine carcasses and half-carcasses, fresh or chilled	0	42	130	0	16,276	3,290
1501 20 0000 - Pig fat, other than lard, other than of headings HS #0209 or 1503	0	0	108,140	27,075	9,742	28,991
0206 41 0000 - Swine livers, edible offal, frozen	6,924	18,289	33,360	92,357	27,366	35,659
1602 42 1000 - Shoulders and cuts thereof, of swine, in cans or glass jars	0	0	0	0	2,525	505
0203 21 0000 - Swine carcasses and half-carcasses, frozen	0	763	43	5,385	2,944	1,827
0209 00 1000 - Pig fat lean meat free, unrendered, fresh, chilled, frozen or cured	1,259,028	119,282	0	0	0	275,662
0210 19 0090 - Swine meat cured, nes	3,813,620	4,033,994	0	0	0	1,569,523
1501 00 0010 - Lard, o/t HS # 0209 or 1503	4,085,960	814,202	0	0	0	980,032
1501 00 0020 - Pig fat, excl lard, rendered, o/t HS #0209 or 1503	275,292	189,938	0	0	0	93,046
Total	182,438,450	191,524,645	220,457,922	201,173,233	195,006,677	198,120,185

Source: Statistics Canada, CATSNET, Analytics

ANNEX D

**Imported Pork Products Subject to Levy
--by HS Tariff Item and Description²³--**

\$/Head	Tariff Item	Description (live porcine animals)
0103.10.00		Pure-bred breeding animals
	0103.91.00	Other: weighing less than 50 kg
	0103.92.00	Other: weighing 50 kg or more
\$/kg	Tariff Item	Description (pigmeat and edible offal)
	0203.11.00	Carcasses and half-carcasses; fresh or chilled
	0203.12.00	Hams, shoulders and cuts thereof; bone in; fresh or chilled
	0203.19.00	Other: fresh or chilled
	-10	Spare ribs
	-20	Back ribs
	-91	Processed
	-99	Other
	0203.21.00	Carcasses and half-carcasses; frozen
	0203.22.00	Hams, shoulders and cuts thereof, bone-in; frozen
	0203.29.00	Other: frozen
	-10	Spare ribs
	-20	Back ribs
	-90	Other
	0206.41.00	Edible offal of swine; livers, frozen
	0206.49.00	Edible offal of swine; other; frozen
	0206.80.00	Other edible offal of swine; fresh or chilled
	0206.90.00	Other edible offal of swine; frozen
	0209.00.10	Pig fat, free of lean meat, not rendered, fresh/chilled/frozen/cured
	0209.10.00	Pig fat, free of lean meat, not rendered or otherwise extracted; fresh, chilled, frozen, salted, in brine, dried or smoked
	0210	Meat and edible offal of swine, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal
	0210.11.00	Hams, shoulders, and cuts thereof, bone in
	0210.12.00	Bellies (streaky) and cuts thereof
	0210.19.00	Other
	1501.10.00	Lard, other than headings HS#0209 or 1503
	1501.20.00	Pig fat, other than lard, other than headings HS#0209 or 1503
	1601.00.90.10	Pork sausages
	1602.41.10.00	Hams and cuts thereof, in cans or glass jars
	1602.41.90.00	Hams or cuts thereof, other prepared or preserved
	1602.42.10.00	Shoulders and cuts thereof, in cans or glass jars
	1602.42.90.00	Shoulders and cuts thereof, other, prepared or preserved
	1602.49.10	Other, including mixtures, in cans or glass jars; prepared meals
	-11	Luncheon meat
	-19	Other
	-20	Prepared meals
	1602.49.90	Other

²³ Canada Border Services Agency (CBSA), Departmental Consolidation of the *Customs Tariff* 2015. Revised and Issued January 1, 2015. Warning: the CBSA reminds that the Departmental Consolidation is prepared for convenience of reference only and that, as such, has no official sanction. See: <http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2015/01-99/01-99-t2015-eng.pdf>.

ANNEX E

**CANADA'S
PIG AND PORK
INDUSTRY
2014**



*Janet Honey
Prepared for
Canadian Pork Council*

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Data Sources:

Agriculture and Agri-Food Canada
Bank of Canada
Canadian Food Inspection Agency
Canadian Pork Council
Canadian Pork International
Manitoba Agriculture, Food and Rural Development
Statistics Canada
United States Department of Agriculture

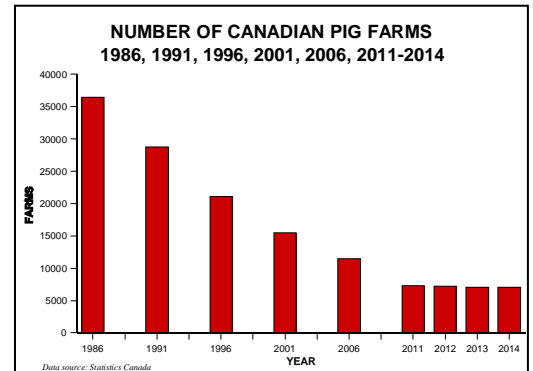
May 2015

Canada's Pig and Pork Industry

Pig Farms and Farm Operators

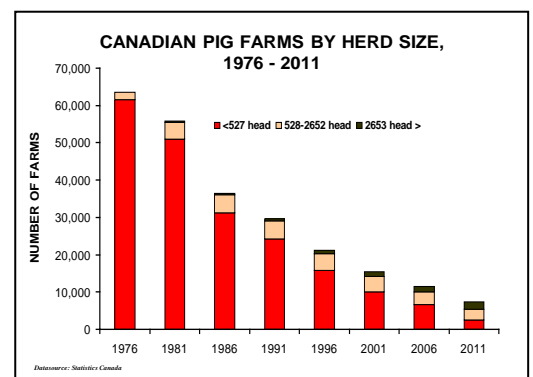
Number of farms:

According to *Statistics Canada*, the number of Canadian farms with pigs has declined over the years from close to 62,600 in 1976 to almost 11,500 thirty years later. There were 7,330 pig farms in the country by mid 2011 and 7,095 on July 1, 2013. The number declined again to 7,020 farms on July 1, 2014.



Farm size:

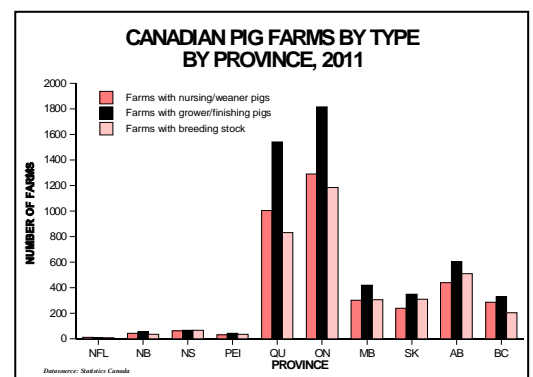
Pig farms have been increasing in size. *Statistics Canada's* quinquennial Census of Agriculture showed that in 1976, more than 61,500 pig farms had fewer than 530 pigs. By 2011, this number had fallen to about 2,450 farms. On the other end of the scale, the number of farms with more than 2,650 pigs on farm rose from just over 100 in 1976 to close to 1,500 in 2006 and about 1,900 in 2011.



The province with the most pigs is Quebec with 4.265 million pigs on 1,850 farms on July 1, 2014. On average, pig farms in Quebec had 2,300 pigs. Ontario was next largest with 3.064 million pigs, but had 2,485 pig operations, the most of any province. The average farm size in Ontario was 1,224 pigs per farm. Manitoba had 2.980 million pigs on 550 farms in July 2014 with an average farm size of 5,355 pigs, the largest in Canada.

Farm type in 2011:

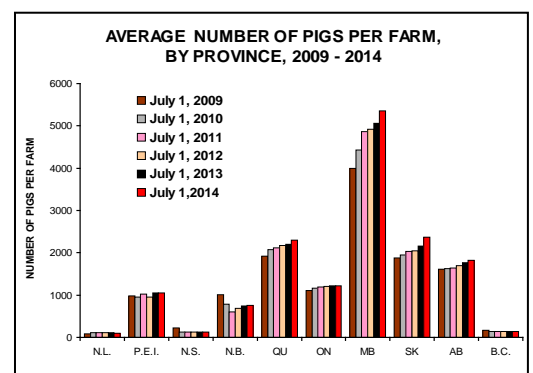
Statistics Canada's 2011 Census of Agriculture shows that of the 7,370 Canadian farms with pigs in May 2011, 47% had sows, 50% had nursing/ weanling pigs on farm and 71% had grower/finisher pigs. (note: many farms had all three categories, but were shown separately by the Census)



Manitoba has the highest percentage of pig farms producing only weanlings, many for shipment out of the province, while in Ontario and Quebec, most of the pigs produced are finished for slaughter.

Pig Inventory

It is sometimes incorrectly assumed that Canada's total annual pig production (25.5 million pigs in 2014) is on farms all at one time. This is obviously not the case as the number of pigs at any point in time consists of the breeding herd of sows and boars, which are on farm all year, and nearly half of the pigs destined for market each year, ranging from newborn to near slaughter weight of about 124 kg. Sows produce an average of 2.4 litters of pigs annually. Some of the weanlings are exported at weights of less than 7g so are on the farm for a very short period.



According to *Statistics Canada*, there were a record 1.597 million sows on Canadian farms on January 1, 2005. Herd reduction caused by poor financial returns led to sow numbers declining to 1.180 million head on July 1, 2011. Higher hog prices and improved returns encouraged a rise in the breeding herd to 1.195 million head on July 1, 2014.

Due mainly to more pigs being finished in Canada, the total number of pigs on farms rose from 12.640 million head on July 1, 2012 to 13.075 million head two years later, which was 14% below the October 1, 2005 record of 15.205 million head.

On July 1, 2014, of the 11.857 million pigs on Canadian farms destined for market, 4.655 million head or 39.3% were either new-born or weaning pigs weighing less than 23 kg. About 2.462 million or 20.8% of the pigs on farms weighed from 23 to 53 kg, 2.312 million or 19.5% were in the 54 to 80 kg range, while 2.427 million or 20.5% were in the 81 kg and over category.

Sow Productivity

The quality of Canadian pigs is among the best in the world. Canadian sows are also some of the most efficient producers of *pork*, producing an annual average of about 2.1 tonnes of pork (warm carcass weight) per sow in 2014.

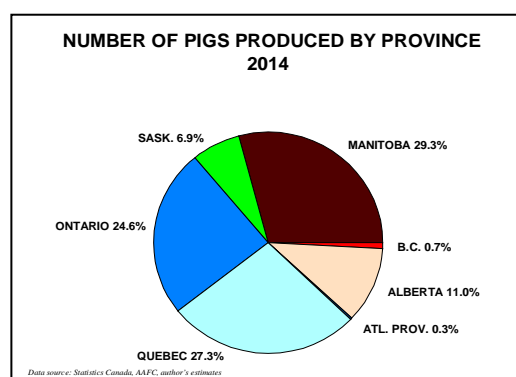
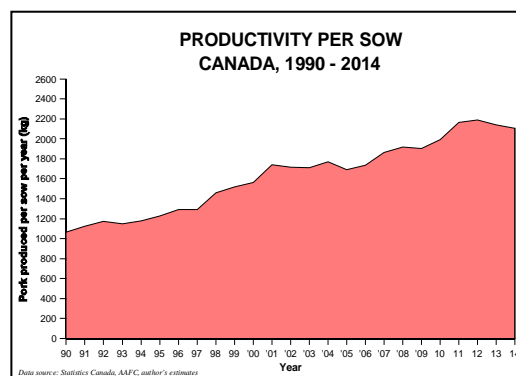
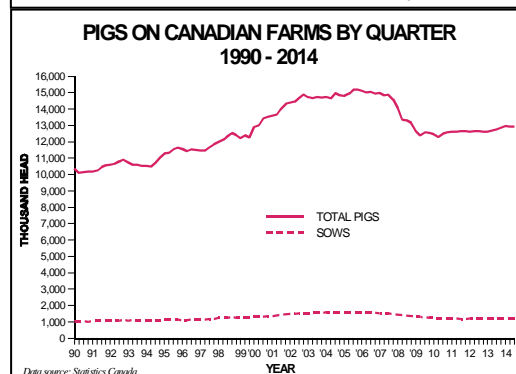
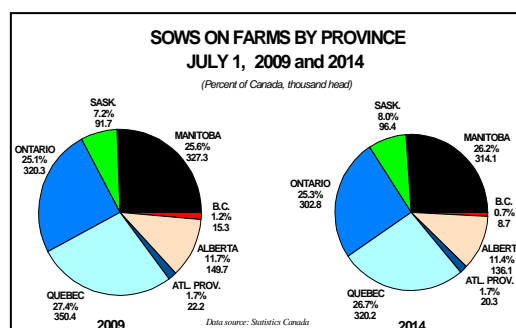
Pig Production

Annual Canadian pig production declined from 2007 to 2010 due to diminished returns from producing pigs, rose slightly in 2011, but fell during the next two years. Canada pig operations produced 25.52 million pigs in 2014 (net sales of almost 25.30 million pigs plus annual increase in inventory of over 0.22 million pigs). Over half of 2014 pig production took place in Eastern Canada. Manitoba produced 29.3% of Canadian pigs in 2014, while Quebec and Ontario produced 27.3% and 24.6% respectively.

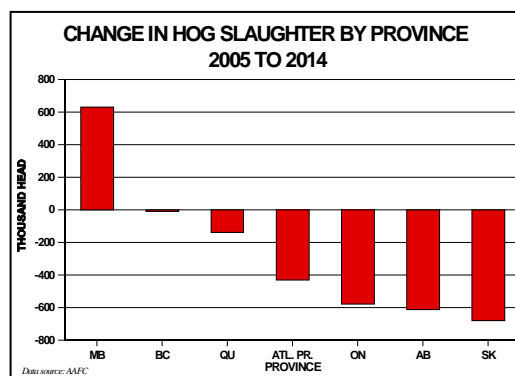
Feed Use

The Canadian pig industry provides an important market for locally-grown corn, barley, feed wheat, canola meal, soy meal and dry peas. The pig industry used roughly 10 million tonnes of feed in 2014. About 15-25% of pig feed, mainly corn and soy meal, is imported from the United States depending on relative feed grain and soy meal prices.

It is estimated that less than 1 million tonnes of wheat, 1 million tonnes of barley, 1 million tonnes of canola meal, 4 million tonnes of corn, 3 million tonnes of soy meal and small amounts of dry peas, oats and other commodities are used in pig rations annually. The ingredients used in rations vary from year to year depending on the availability and price of crop components.



Quebec has the largest hog slaughter plant capacity in Canada, killing almost 8.0 million hogs in 2014, of which 14.2% came from Ontario, Prince Edward Island and New Brunswick. In 2014, plants in Manitoba killed 5.05 million hogs, surpassing Ontario by 1.03 million head. The closure of a major pork plant in Saskatchewan in 2007 meant most hogs finished there have to be shipped to Manitoba and Alberta or exported.

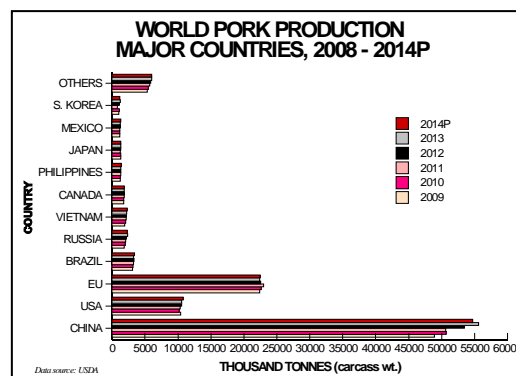


Hog Carcass Weight

The average cold trimmed carcass weight of hogs slaughtered in Canada rose from 76.5 kg in 1990 to 89.7 kg in 2008. In 2009, the average carcass weight declined to 89.1 kg, but went up in each of the next five years to reach 95.1 kg in 2014.

Pork Production

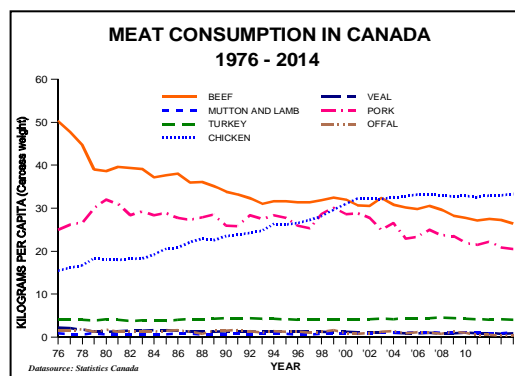
More than 1.93 million tonnes of pork (cold trimmed carcass weight) were produced in the country in 2014, unchanged from the amount produced in 2004. Over 1.15 million tonnes of pork and pork products valued at over \$3.71 billion were exported to 92 countries in 2014, 39.0% (by value) of which went to the United States, 25.6% to Japan, 8.9% to Russia and 6.6% to China/Hong Kong. Over 48.4% of pork export value was fresh cuts, 35.1% was frozen cuts, 7.6% was processed pork, 6.0% was offal and 2.8% was fat. Quebec's share of national pork export value was 42.4%, Manitoba's was 23.7% and Ontario's share was 17.6%.



Pork Available for Consumption

Canadians consumed over 20.6 kg (carcass weight) or about 15.0 kg (boneless retail weight) per person per year in 2014.

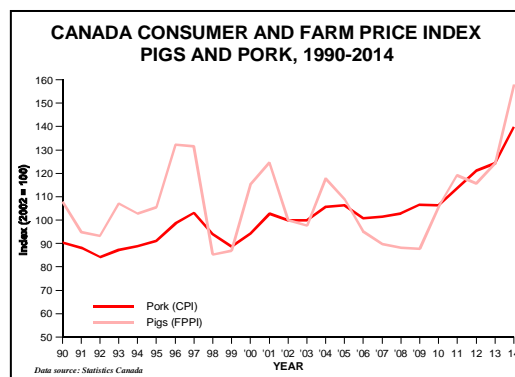
Pork consumption is less than either beef or chicken, where the amount eaten in 2014 was 18.4 kg and 20.1 kg (boneless retail wt.) per person respectively. Canadians eat less pork per capita than Americans.



Prices and Margins

The supply and demand for pigs and pork in the United States and the Canada-U.S. exchange rate are major factors in pig price determination in Canada as the United States is still Canada's largest market for pork and pigs.

The lower-valued Canadian dollar relative to the American dollar in 2014 raised the value of Canadian pig and pork exports to the United States as well as making Canadian pork more competitive with American pork, both in the United States and in foreign markets. Conversely, the strong Canadian dollar in the past few years lowered relative pig prices, but decreased the relative costs of imported farm inputs from the United States, such as feed corn.

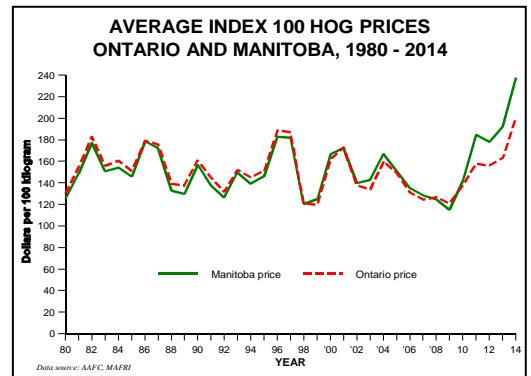


Mandatory Country-of-Origin Labelling (mCOOL) in the United States, which resulted in some major hog slaughter companies refusing to take Canadian animals, also contributed to the drop in Canadian slaughter hog prices, particularly in 2008 and 2009. However, improved world pork demand and reduced pig production in North America led to rising hog prices in 2012 and 2013 and record-high prices in 2014.

Slaughter hogs:

Over the years, the introduction of new and different pricing grids by Canadian hog processors has meant there is no longer a defined standard or "Index 100" hog across Canada, even though some provinces continue to use this term when quoting a base price.

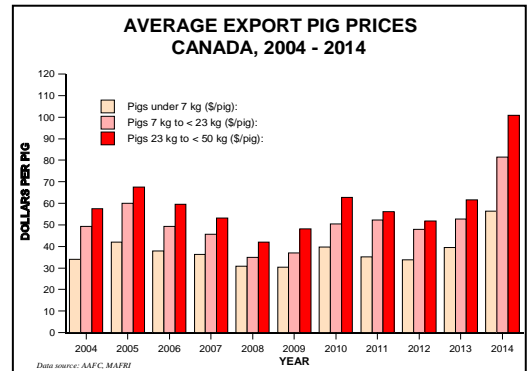
A 1.5% drop in U.S. pork production helped raise American hog prices by 18.7% in 2014. Added to this, a Canadian dollar valued at 9.5% below the U.S. dollar meant average Manitoba and Ontario hog prices in 2014 were 23.4% and 24.0% respectively above 2013 levels.



Weanling pigs:

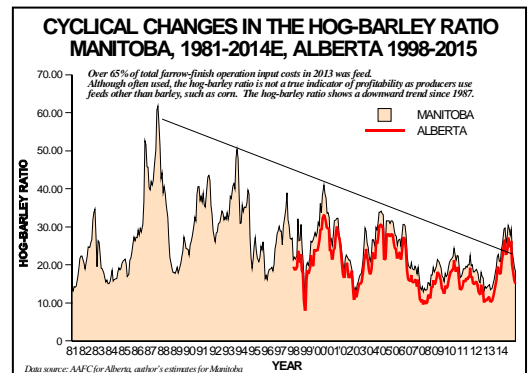
The initial reaction to mCOOL by many American feeding operations was to stop buying Canadian weanling and feeder pigs, which contributed to lower prices in 2008. The demand for weanlings improved in the following years resulting in rising average prices.

Export prices for weanling pigs (under 7 kg) in 2014 were up by 42.8%, prices for pigs (7-23 kg) rose by 50.3% and prices for heavier pigs (23-50 kg) increased by 63.6% from a year earlier.



Margins:

With declining feed costs from mid-2013 and higher slaughter hog prices, margins from farrow-to-finish operations increased in 2014. Over half of the cost of finishing pigs to slaughter weight is feed.



<u>PIG INDUSTRY STATISTICS</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013^R</u>	<u>2014</u>
PIG FARMS (inc. non-commercial):	8,990	8,155	7,455	7,330	7,200	7,095	7,020
PIGS ON FARMS ON JULY 1 ('000 head):							
Sows and bred gilts	1,371.4	1,276.9	1,201.4	1,180.3	1,191.4	1,190.6	1,195.3
Boars	31.8	29.2	26.4	23.8	23.3	23.2	23.2
Total market pigs:	11,916.8	11,288.9	11,297.2	11,445.9	11,425.3	11,551.2	11,856.5
Under 23 kg	4,727.8	4,299.0	4,349.6	4,625.3	4,596.7	4,651.2	4,654.8
23 kg to 53 kg	2,917.3	2,871.4	2,803.8	2,404.4	2,421.0	2,395.1	2,461.9
54 kg to 80 kg	1,958.1	1,867.2	1,837.7	2,189.0	2,197.3	2,201.9	2,312.4
81 kg and over	2,313.6	2,251.3	2,306.1	2,227.2	2,210.3	2,303.0	2,427.4
Total pigs	13,320.0	12,595.0	12,525.0	12,650.0	12,640.0	12,765.0	13,075.0
PIG PRODUCTION(million head):	29,244	27,667	26,940	27,010	26,730	26,090	25,520
Annual production change %:	-2.6	-5.4	-2.6	0.3	-1.0	-2.4	-2.2
PIG CASH RECEIPTS (\$ million):	3,187.1	2,889.2	3,370.5	3,940.3	3,855.6	4,065.5	5,091.7
AVERAGE PIG PRICES^R:							
Ontario Index 100 hog (\$/100kg):	125	115	142	185	178	192	238
Manitoba Index 100 hog (\$/100kg):	127	121	138	158	156	163	201
Export pigs under 7 kg (\$/pig):	30.8	30.4	39.7	35.1	33.8	39.4	56.3
Export pigs 7 kg to < 23 kg (\$/pig):	34.9	37	50.4	52.2	47.9	52.7	81.4
Export pigs 23 kg to < 50 kg (\$/pig)	41.9	48.1	62.8	56.2	51.9	61.6	100.8
Export hogs - slaughter (\$/hog):	121	143	160	170	168	198	252
HOG SLAUGHTER:							
Inspected slaughter ('000)	21,519.4	21,639.1	21,123.1	21,097.5	21,120.5	20,758.9	20,335.7
Average cold trimmed weight (kg)	89.7	89.1	90.4	91.9	93.6	94.1	95.1
Average warm dressed wt. (kg) ^R	93.6	93.1	94.5	96.5	97.8	98.3	99.4
PORK PRODUCTION:							
(million kg cold trimmed weight)	1,930.3	1,928.0	1,909.5	1,938.9	1,976.9	1,953.4	1,935.0

EXPORTS:

Breeding pigs	- ('000)	12.3	11.3	11.5	25.7	21.4	17.8	12.6
	- (\$ million)	6.8	7.7	9.8	18.9	15.7	16.8	10.3
Total pigs < 50kg	- ('000)	7,036.4	5,221.6	4,699.9	4,800.7	4,794.4	3,974.6	4,094.6
	- (\$ million)	240.9	184.0	211.5	194.4	188.7	178.4	265.6
Pigs < 7kg	- ('000)	4,251.3	3,267.5	2,813.0	3,138.1	3,075.8	2,662.7	2,890.7
	- (\$ million)	131.0	99.4	111.8	110.3	104.1	105.0	162.8
Pigs 7 to < 23kg	- ('000)	976.6	820.0	923.0	721.0	559.7	573.3	670.0
	- (\$ million)	34.2	30.0	39.2	31.2	24.5	27.9	49.0
Pigs 23 to < 50kg	- ('000)	1,808.5	1,134.1	963.9	941.7	1,158.9	738.6	533.9
	- (\$ million)	75.7	54.5	60.5	52.9	60.1	45.5	53.8
Hogs 50+kg	- ('000)	2,308.4	1,142.7	1,048.6	994.7	860.6	791.4	852.8
	- (\$ million)	278.9	162.8	167.8	169.4	144.6	156.9	215.3
All export pigs	- ('000)	9,357.2	6,375.7	5,760.0	5,821.1	5,676.4	4,783.8	4,960.0
	- (\$ million)	526.6	354.5	388.9	382.7	349.0	352.2	491.2
Pork and products	- (million kg)	1,094.5	1,075.3	1,098.2	1,152.7	1,189.4	1,184.2	1,153.5
	- (\$ million)	2,736.0	2,602.1	2,768.5	3,205.8	3,199.0	3,194.2	3,714.5

IMPORTS:

Pigs	- ('000) ^R	1.6	2.1	2.5	4.8	4.9	3.1	3.7
	- (\$ million)	1.2	1.8	1.9	2.4	1.7	1.0	1.5
Pork and products	- (million kg) ^R	192.4	179.0	185.4	206.6	220.5	201.2	195.0
	- (\$ million) ^R	662	659	725	863	987	982	1,163

CANADIAN CONSUMPTION^R:

Pork (carcass wt. kg/person)	23.89	23.57	22.06	21.50	22.30	20.88	20.63
Pork (boneless wt. kg/person)	17.42	17.18	16.08	15.68	16.26	15.22	15.04

ANNEX F

Provincial Hog Levy Summary Profiles

This Annex describes how levies are currently (2015) imposed or collected in each province and the levy rates for different classes of swine by province. All pork producing provinces with the exception of Alberta have a mandatory, non-refundable levy system. In Alberta, the service charge is mandatory, but refundable on request. Levies typically apply to all slaughter hogs and sows, whether slaughtered within Canada or exported. Additionally, all provinces which typically export feeder pigs have imposed a mandatory levy on feeder pig sales, though the defined weight range of the feeder pigs and applicability to interprovincial movements varies between provinces. Manitoba has the lowest levy rates in the country at \$0.80/head for market hogs, and \$0.19/head for feeder pigs.

In all provinces, swine purchasers (processors, marketers, brokers) are required to deduct and remit levies to the provincial organizations. In the event the service charge is not remitted by the buyer (as is typical with international exports), the producer is required to report and submit the levy. All provincial organizations conduct producer and premises registration and communications activities, pork and industry promotion, on-farm food safety programs, biosecurity, research and outreach. Outreach activities are integral and vital to success of the promotion-research framework. It supports interpretation and communication of new research findings to producers in a timely manner so as to foster cost savings, economic efficiencies and innovation.

British Columbia

In British Columbia, hog levy is collected under the authority of the *Natural Products Marketing (BC) Act* by the British Columbia Hog Marketing Commission (BCHMC). The levy is mandatory, non-refundable, and can be applied to intraprovincial, interprovincial, or export sales, though animals are not typically exported from BC.

Producer levies are fixed at \$1.00 per Market Hog, \$1.00 per Boar or Sow; and \$0.50 per Round Hog (hog between 25 and 75 kg dressed weight).

Alberta

Pursuant to the [Alberta] *Marketing of Agricultural Products Act*, producers who sell swine in the Province must remit a service charge to the Alberta Pork Producers' Development Corporation (Alberta Pork). The service charge is mandatory, but refundable on request. The service charge is \$1.00/head for swine >50 kg sold or slaughtered either within or outside Alberta, or \$0.25/head for swine <50 kg exported internationally

Saskatchewan

Pursuant to the [Saskatchewan] *Agri-Food Act--2004*, any person engaged in the marketing of pork and hogs produced for feeding, breeding or slaughter in the Province must remit a levy to the Saskatchewan Pork Development Board. The levy is mandatory and non-refundable, and is applied to domestic and export sales of slaughter hogs or sows, and exports of feeder pigs.

Levy rates are \$0.85/head for slaughter hogs or sows sold in Canada or exported, and \$0.23/head for feeder pigs <100 lbs exported internationally. The levy is not applied to interprovincial feeder pig or breeding stock sales or movements.

Manitoba

Pursuant to the [Manitoba] *Farm Products Marketing Act*, producers who raise hogs or weanlings within Manitoba must remit a mandatory, non-refundable levy to the Manitoba Pork Council. The levy is \$0.80/head for hogs, and \$0.19/head for feeder pigs (hogs <30 kg). Hogs or weanlings sold by a producer to another registered producer and subsequently raised or kept in the Province by the purchasing producer are exempt from the levy.

Ontario

Ontario Pork is established under the [Ontario] *Farm Products Marketing Act*. The *Act* delegates power to establish and supervise marketing boards to the Ontario Farm Products Marketing Commission (FPMC). The FPMC, in turn, delegates powers to individual marketing boards, including the authority to establish license fees and service fees. Ontario Pork has separated its services both administratively and physically into two divisions--Ontario Pork Universal Services and Ontario Pork Marketing Division.

“Universal services” are those programs, activities and initiatives that not only benefit the individual producer, but contribute to the betterment of the Ontario hog industry overall. These are services that require interaction with government, processors, retailers, other industry associations, rural and urban neighborhoods and the general public.

The universal, mandatory non-refundable charge applies to all hogs raised in Ontario. The current rate is \$0.20/head for any weanling hog (<56 kg) sold interprovincially or exported, and \$0.95/head for any other hogs sold for slaughter (in the weight range of 56 kg to 147 kg).

Québec

Pursuant to the *Loi sur la mise en marché des produits agricoles, alimentaires et de la pêche*, Les Éleveurs de porcs du Québec was established to manage the Quebec pork producers' Joint Plan and administer the collective marketing of hogs in Quebec.

In 2014, Les Éleveurs levied \$ 1.479 per hog (over 65 kg) slaughtered to fund both the Joint Plan and marketing services. Of this amount, \$ 0.31 per slaughtered pig was used to fund the marketing functions of the organization (hogs sales). The remainder (\$1.169/head) was used to fund all the other programs administered by Les Éleveurs. For hogs under 65 kg, \$0.31/head was collected, but the entire amount was used for marketing services (hogs sales). Finally, for Sows and Boars, \$8.386/head was collected by kill-plants and used to fund Les Éleveurs' programs including promotion, research and product development.

New Brunswick

Porc NB Pork is the representative body for the hog producers of New Brunswick and its mandate is regulated by the [NB] *Natural Products Act*. *Porc* NB Pork collects a mandatory non-refundable levy of \$1.00 on all hogs produced in the Province, and charges \$5/head on all sow inventories in the Province. The Market Hog levy is collected by kill plants (located inside and outside of the Province) and remitted to *Porc* NB Pork, while the sow levy is paid by producers to *Porc* NB Pork, based on their total sow inventory.

Nova Scotia

Pursuant to the [NS] *Natural Products Act*, Pork Nova Scotia (PNS) is mandated to carry out the marketing of hogs in the Province, as well as to maintain a sustainable hog industry and favorable environment for the production of pork in Nova Scotia. PNS collects a mandatory non-refundable levy. Producers must pay a levy for each hog that the producer markets, in accordance with the class of the hog. The levy rates are a maximum of \$1.60/head for market hogs, sows, stags, or boars, and \$0.15 for weanlings. Producers who pay these levies are exempt from an additional requirement to pay the Commodity Board a levy of \$0.10 for every hog that the producer owns in the regulated area.

Prince Edward Island

The PEI Hog Commodity Marketing Board (PEI Pork) is the representative body for the hog producers of Prince Edward Island and its mandate is regulated under the [PEI] *Natural Products Marketing Act*. PEI Pork collects a mandatory non-refundable levy on hogs, sows, boars, and stags of \$1.23/head, while weaners (10-45 kg) are \$0.405/head and Isowean (<10 kg) levies are \$0.283/head. These levies apply to pigs sold within PEI and exported outside the Province.

Provincial Hog Levy Rates in Canada (\$/head)

	BC	AB ¹	SK	MB	ON ⁵	QC	NB ²	NS ³	PEI ⁴
Market Hogs	\$1.00	\$1.00	\$0.85	\$0.80	\$0.95	\$1.48	\$1.00	\$1.60	\$1.23
Culled Sows/Boars	\$1.00	\$1.00	\$0.85	\$0.80	\$0.00	\$8.39	\$5.00	\$1.60	\$1.23
Feeder Pigs	\$0.00	\$0.25	\$0.23	\$0.19	\$0.20	\$0.00	\$0.00	\$0.15	\$0.28

1. Alberta levy is refundable.
2. The Sow Levy in New Brunswick is based on total inventories, not sows marketed.
3. Nova Scotia also has a levy of \$0.10 for every hog that the producer owns in the regulated area, but producers are exempt from this if they pay the levies based on marketings.
4. \$0.283 is the levy for Isoweans in PEI (<10 kg). PEI specifies a separate levy for weaner pigs (10-40 kg) of \$0.405.
5. Ontario fee for market hogs is only attributable to hogs weighing 56 kg to 147 kg destined for slaughter.

Total Revenue Estimate Using a Fixed Levy per Market Hog

HS Code and Description	Average Imports (2010-2014) (kg)	Trade Volumes to Cold Dressed Carcass Weight Conversion Factor	Conversion Factor HS Code Used	Equivalent Live Hogs (head)	Levy \$ Collected @ 75¢/head
0203 11 0000-Swine carcasses and half-carcasses, fresh or chilled	3 290	1.1	0203 11 00	38	\$29
0203 12 0000-Hams, shoulders & cuts thereof, bone-in,f/c	1 404 512	1.1	0203 12 10	16 393	12 295
0203 19 0010-Swine spare ribs, fresh/chilled	4 004 287	1.1	0203 19 10	46 737	35 053
0203 19 0020-Swine back ribs, fresh/chilled	11 404 441	1.1	0203 19 10	133 110	99 833
0203 19 0091-Swine cuts, processed, fresh/chilled, nes	9 053 549	1.4	0203 19 99	134 490	100 868
0203 19 0099-Swine cuts, fresh/chilled, nes	75 719 023	1.4	0203 19 99	1 124 800	843 600
0203 21 0000-Swine carcasses and half-carcasses, frozen	1 827	1.1	0203 21 00	21	16
0203 22 0000-Hams, shoulders & cuts thereof, bone-in, frozen	277 880	1.1	0203 22 00	3 243	2 432
0203 29 0010-Swine spare ribs, frozen	1 026 625	1.1	0203 19 10	11 983	8 987
0203 29 0020-Swine back ribs, frozen	6 993 140	1.1	0203 19 10	81 622	61 217
0203 29 0090-Swine cuts, frozen	12 731 751	1.4	0203 29 00	189 130	141 848
0206 30 0000-Swine, edible offal, fresh/chilled	10 273 749	1.0	0206 30 00	109 011	81 758
0206 41 0000-Swine livers, edible offal, frozen	35 659	1.0	0206 41 00	378	284
0206 49 0000-Swine, edible offal, frozen, nes	7 127 810	1.1	0206 49 00	83 194	62 396
0209 00 1000-Pig fat, lean meat free, unrendered, f/c fr cured	275 662	none found			
0209 10 0000-Pig fat, lean meat free, n rendered, f/c fr in brine , +	119 880	none found			
0210 11 0000-Hams, shoulders & cuts thereof, bone-in, cured	7 012 783	1.1	0203 11 10	81 850	61 388
0210 12 0000-Bellies, streaky & cuts thereof, cured	3 332 659	1.1	0210 12 10	38 898	29 174
0210 19 0000-Meat of swine, nes, salted, in brine, dried +	3 545 263	1.1	0210 19 10	41 380	31 035
0210 19 0090-Swine meat cured, nes	1 569 523	1.1	0210 19 90	18 320	13 740
0504 00 0012-Sausage casings o swine, whole or in pieces	1 436 312	none found			
1501 00 0010-Lard, o/t hds, HS 0209 or 1503	980 032	none found			
1501 00 0020-Pig fat excl lard, rendered, o/t hds, HS 0209 or 1503	93 046	none found			
1501 10 0000-Lard, other than HS 0209 or 1503	325 822	none found			
1501 20 0000-Pig fat, other than lard, other than HS 0209 or 1503	28 991	none found			
1601 00 9010-Pork sausages	14 105 303	0.85	1601 00 90	127 217	95 413
1602 41 1000-Hams and cuts thereof, in cans or glass jars	348 552	1.4	1602 41 10	5 178	3 884
1602 41 9000-Hams and cuts thereof, prep or preserved, o/t cans/jars	5 315 439	1.4	1602 41 90	78 960	59 220
1602 42 1000-Shoulders and cuts thereof, in cans/glass jars	505	1.4	1602 42 10	8	6
1602 42 9000-Shoulders and cuts thereof, o/t cans or jars	838 614	1.4	1602 42 90	12 458	9 344
1602 49 1011-Luncheon meat of swine, cans/glass jars	1 256 601	0.5	1602 49 00	6 667	5 000
1602 49 1019-Meat/offal, excl livers, nes, incl mixtures, in cans/jars	387 747	0.5	1602 49 00	2 057	1 543
1602 49 1020-Prepared meals of swine	838 372	0.5	1602 49 00	4 448	3 336
1602 49 9000-Meat/meat offal, excl livers, nes, incl mix, o/t cans/jars	16 251 536	0.5	1602 49 00	344 880	258 660
TOTALS	198 120 185			2 696 471	2 022 359

ANNEX H

**ESTMATES of AGENCY'S
MANAGERIAL/ADMINISTRATIVE COSTS**

Notional Fiscal Year Costs

<u>Description</u>	<u>General</u>	<u>Board Members</u>	<u>Committee</u>	<u>TOTAL</u>
Salary Expenses	\$0	\$0	\$0	\$0
Salary	\$0			
Employment Benefits	\$0			
Management	\$0			
Recruiting	\$0			
Contract Services	\$152,000	\$0	\$0	\$152,000
Professional Coordinator	\$80,000			\$80,000
Coordinator (travel +)	\$ 8,000			\$ 8,000
Secretary-Admin Support	\$20,000			\$20,000
Auditor	\$ 7,000			\$ 7,000
Translation	\$10,000			\$10,000
Website Maintenance	\$ 2,000			\$ 2,000
Consultancy Projects	\$25,000			\$25,000
Board Member Expenses	\$0	\$25,000	\$0	\$25,000
Committee Expenses	\$0	\$0	\$10,000	\$10,000
Office Expenses	\$15,500	\$0	\$0	\$15,500
Office Rental	\$9,600			\$9,600
Meeting Room Rental	--			--
Insurance				
Directors' liability	\$1,200			\$1,200
Office coverage	\$ 400			\$ 400
Telephone	\$1,800			\$1,800
Office Supplies	\$1,000			\$1,000
Postage and Courier	\$1,000			\$1,000
Bank Charges	\$ 500			\$ 500
Amortization	\$10,000			\$10,000
Website Creation	\$10,000			\$10,000
Contingency Reserve	\$25,000			\$25,000
TOTAL EXPENSES	\$202,500	\$25,000	\$10,000	\$237,500

ANNEX I

COMPENDIUM OF THE WRITTEN EVIDENCE IN SUPPORT OF THE PROPOSAL

The following participants and organizations affected by this Proposal have registered their support for the initiative as follows (see attachments):

Pork Nova Scotia

Prince Edward Island Hog Commodity Marketing Board (PEI Pork)

Porc *NB* Pork

Les Éleveurs de porcs du Québec

Ontario Pork

Manitoba Pork Council (Manitoba Pork)

Saskatchewan Pork Development Board

Alberta Pork Producers Development Corporation (Alberta Pork)

BC Pork Producers Association (BCPPA)

Canadian Meat Council (CMC)

Canada Pork International-Canada Pork



Pork Nova Scotia

60 Research Drive Bible Hill, Nova Scotia B6L 2R2 | Phone: 902-893-7455 | Fax: 902-893-7063

Rick Bergmann, Chair
Canadian Pork Council
900-220 Laurier Ave W
Ottawa, Ontario
K1P 5Z9

July 23, 2015

Dear Mr. Bergmann,

I am writing on behalf of Pork Nova Scotia to extend our support for the Canadian Pork Council's proposal for the Canadian Pork Research, Market Development and Promotion Agency. We have reviewed your application and are very appreciative of the efforts made by CPC on behalf our industry.

Pork Nova Scotia represents approximately 65 hog producers. Our Board of Directors, elected by the members, represents a cross section of the industry along with different marketing approaches.

Pork Nova Scotia delivers a suite of programs and services to our members as well as engaging with stakeholders to provide information and input about the provincial hog industry.

Pork Nova Scotia is supportive of CPC's proposal as written in the application for FPCC and look forward to the establishment of the Agency.

If you have any further, please don't hesitate to contact us. We look forward to the success of this application.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Beck".

Terry Beck, Chair



SUITE 209, 420 UNIVERSITY AVE., CHARLOTTETOWN, PRINCE EDWARD ISLAND, CANADA C1A 7Z5
TEL: (902) 892-4201 FAX: (902) 892-4203 www.peipork.pe.ca

Mr. Jean-Guy Vincent, Chairman
Canadian Pork Council
900-220 Laurier Ave. W
Ottawa, ON
K1P 5Z9

Dear Mr Vincent,

The PEI Hog Commodity Marketing Board would like to express our support for the proposal for a Canadian Pork Research, Market Development and Promotion Agency. Our Board is appreciative of all the preparatory work that has been done on behalf of industry to get this proposal ready for submission.

This is an opportunity to establish a national organization with the purpose of strengthening the pork industry by creating greater alliances amongst the pork industry. A national agency that can collect and administer funds for research and promotion will be useful and is in the best interest for all of our producers.

PEI Pork represents 22 farmers who market hogs from the province of Prince Edward Island. The organization is guided by a producer-elected, six member Board of Directors representing a cross section of all hog production levels. The PEI Hog Commodity Marketing Board operates according to the Natural Products Marketing Act.

Through the provincial check-off and complementary funding support, PEI Pork delivers core programs and producer services including industry communications, product promotion, industry development and sustainability, economic and policy analysis, agri-education, producer services and swine industry research. Provincially, PEI Pork administers and delivers the pork industry's Canadian Quality Assurance CQA® on-farm food safety program; Animal Care Assessment tool (ACA), and the Trucker Quality Assurance (TQA®) program.

In conclusion, our Board of Directors is supportive of the agency proposal as written in the application to FPCC and look forward to the establishment of this agency.

Please contact us if you need any further information.

Regards,

Paul Larsen
Chair
PEI Pork



PORC *NB* PORK

259 rue BRUNSWICK St., SUITE 302
FREDERICTON, NB
E3B 1G8

July 15, 2015

Mr. Rick Bergmann, Chairman
Canadian Pork Council
900-220 Laurier Ave. W
Ottawa, ON
K1P 5Z9

Dear Mr. Bergmann,

NB Pork would like to express our support for the application for a Canadian Pork Research, Market Development and Promotion Agency. Our Board is appreciative of all the preparatory work that has been done on behalf of industry to get this application ready for submission.

This is an opportunity to establish a national organization with the purpose of strengthening the pork industry by creating greater alliances amongst the pork industry. A national agency that can collect and administer funds for research and promotion will be useful and is in the best interest for all of our producers.

NB Pork represents 30 farmers who market hogs in the province of NB. The organization is guided by a producer-elected, 5 member Board of Directors representing a cross section of all hog production levels. NB Pork operates within the Natural Products Act.

Through the provincial check-off and complementary funding support, NB Pork delivers core programs and producer services including industry communications, product promotion, industry development and sustainability, economic and policy analysis, agri-education, producer services and swine industry research. Provincially, NB Pork administers and delivers the pork industry's Canadian Quality Assurance CQA® on-farm food safety program; Animal Care Assessment tool (ACA), and the Trucker Quality Assurance (TQA®) program.

In conclusion, our Board of Directors is supportive of the agency application as written in the application to FPCC and look forward to the establishment of this agency.

Please contact us if you need any further information.

Regards,

Tim Churchill
Vice-Chair

Le 24 juillet 2015

Monsieur Rick Bergmann
Président
Conseil canadien du porc
220, avenue Laurier Ouest
Bureau 900
Ottawa, Ontario K1P 5Z9

Objet : Appui à un office canadien de recherche, de développement des marchés et de promotion du porc

Monsieur Bergmann,

Au cours des dernières années, Les Éleveurs de porcs du Québec ont suivi avec intérêt l'évolution du projet de mise en place d'un office canadien de recherche, d'expansion commerciale et de promotion du porc. Par la présente, Les Éleveurs réitèrent l'appui exprimé au Conseil canadien du porc pour la mise en place d'un tel office et confirment leur collaboration quant à sa mise en œuvre. Vous trouverez, joint en annexe, les lettres d'appui précédemment transmises au Conseil canadien du porc à cet effet.

Les Éleveurs de porcs du Québec représentent les intérêts de leurs 3 376 membres, répartis dans 8 groupes régionaux. Le secteur porcin génère des retombées économiques de plus de 2 milliards de dollars dont bénéficient toutes les régions de la province. Au Québec, la filière porcine emploie 24 200 personnes. 70 % de la production porcine québécoise a été exportée en 2014, soit 50 % des exportations canadiennes (en valeur). Le porc du Québec a été exporté ces cinq dernières années dans plus de 125 pays, ce qui représente 8 % du commerce mondial du porc.

Pour de plus amples informations concernant cette lettre d'appui, n'hésitez pas à communiquer avec notre organisation.

Veillez agréer, Monsieur Bergmann, l'expression de mes sincères salutations.

Le président,



David Boissonneault

p.j. : Lettres d'appui des 4 mars et 30 avril 2014

Le 30 avril 2014

Monsieur Jean-Guy Vincent
Président
Conseil canadien du porc
220, avenue Laurier Ouest
Bureau 900
Ottawa, Ontario
K1P 5Z9

Objet : Projet d'organisme canadien de recherche, d'expansion commerciale et de promotion du porc

Monsieur Vincent,

Les Éleveurs de porcs du Québec ont pris connaissance du présent projet d'organisme canadien de recherche, d'expansion commerciale et de promotion du porc. Les Éleveurs apprécient grandement tous les efforts qui ont été déployés à cette fin. Les Éleveurs souhaitent à ce titre confirmer leur collaboration et leur appui à l'élaboration de toute initiative visant à atteindre les objectifs fixés par ce projet.

C'est l'occasion rêvée de mettre sur pied un organisme national dont le but est d'améliorer les alliances au sein de l'industrie du porc. Un organisme national qui peut percevoir et administrer les fonds de recherche et de promotion sera utile et servira les meilleurs intérêts de nos producteurs.

Les Éleveurs de porcs du Québec représentent les intérêts de ses 3 422 membres, répartis dans 10 syndicats régionaux. Le secteur porcin génère des retombées économiques de plus de 2 milliards de dollars dont bénéficient toutes les régions de la province. Au Québec, la Filière porcine emploie 24 000 personnes. 71 % de la production porcine québécoise a été exportée en 2012, soit 50 % des exportations canadiennes (en valeur). Le Porc du Québec a été exporté ces cinq dernières années dans plus de 125 pays, ce qui représente 8 % du commerce mondial du porc.

Grâce au prélèvement provincial et à l'aide financière complémentaire, la Filière porcine offrira des programmes de base et des services aux producteurs, y compris les communications avec l'industrie, la promotion des produits, l'expansion et la durabilité de l'industrie, les analyses économiques et stratégiques, l'agrosensibilisation, les services aux producteurs et la recherche sur l'industrie porcine. À l'échelle provinciale, la Filière porcine administre et exécute le

Maison de l'UPA
555, boul. Roland-Therrien, bureau 120
Longueuil (Québec) J4H 4E9

T 450 679-0530
F 450 679-0102

leporcduquebec.com
leseleveursdeporcsduquebec.com

programme de salubrité des aliments à la ferme selon Assurance de la qualité canadienne (AQC^{MD}) de l'industrie porcine, l'outil Évaluation des soins des animaux (ÉSA) et le programme Assurance de la qualité des camionneurs (AQC^{MD}).

Les Éleveurs de porcs du Québec formulent l'espoir que le projet d'organisme tel que rédigé dans la demande au Conseil des produits agricoles du Canada (CPAC) se concrétise très rapidement.

Pour de plus amples informations concernant cette lettre d'appui, n'hésitez pas à communiquer avec notre organisation.

Espérant le tout conforme à vos attentes, veuillez agréer, Monsieur Vincent, mes sincères salutations.

Le président,

A handwritten signature in black ink, appearing to read 'David Boissonneault', with a long horizontal stroke extending to the left.

David Boissonneault

Le 4 mars 2014

M. Martin Rice
Directeur général
Conseil canadien du porc
220, avenue Laurier Ouest
Bureau 900
Ottawa (Ontario)
K1P 5Z9

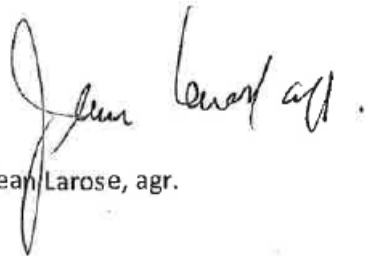
Cher Monsieur Rice,

Les 22 et 23 octobre 2013, le Conseil canadien du porc a présenté lors de sa rencontre automnale une proposition concernant le prélevé national pour la promotion du porc. Cette proposition fut discutée lors de la rencontre du conseil d'administration des Éleveurs de porcs du Québec du 13 novembre 2013.

Le conseil d'administration a donné, à l'unanimité, son accord à la poursuite du projet tel que présenté. Les Éleveurs de porcs du Québec encouragent ainsi le Conseil canadien du porc à poursuivre leurs efforts pour concrétiser ce projet et demeurent disponibles pour offrir toute la collaboration nécessaire à la réussite de celui-ci.

Je vous prie de croire, Monsieur Rice, en l'expression de mes salutations distinguées.

Le directeur général,



Jean Larose, agr.



ONTARIO PORK

July 21, 2015

Mr. Rick Bergmann, Chairman
Canadian Pork Council
900-220 Laurier Ave. W
Ottawa, ON K1P 5Z9

Dear Mr. Bergmann,

Ontario Pork would like to express our support for the proposal for a Canadian Pork Research, Market Development and Promotion Agency. Our Board is appreciative of all the preparatory work that has been done on behalf of industry to get this proposal ready for submission.

This is an opportunity to establish a national organization with the purpose of strengthening the pork industry by creating greater alliances amongst the pork industry. A national agency that can collect and administer funds for research and promotion will be useful and is in the best interest for all of our producers.

Ontario Pork represents 1,524 farmers who market hogs in the province of Ontario. The organization is guided by a producer-elected, nine-member Board of Directors representing a cross section of all hog production levels. Ontario Pork operates according to the Ontario Farm Products Marketing Act R.S.O. 1990 and accompanying regulations.

Through the provincial check-off and complementary funding support, Ontario Pork delivers core programs and producer services including industry communications, product promotion, industry development and sustainability, economic and policy analysis, agri-education, producer services and swine industry research. Provincially, Ontario Pork administers and delivers the pork industry's Canadian Quality Assurance CQA® on-farm food safety program; Animal Care Assessment (ACA) tool, and the Trucker Quality Assurance (TQA®) program.

In conclusion, our Board of Directors is supportive of the agency proposal as written in the application to the Farm Products Council of Canada and look forward to the establishment of this agency.

Please contact us, if you need any further information.

Sincerely,

Amy Cronin
Board Chair

July 27, 2015



Canadian Pork Council
900 – 220 Laurier Avenue West
Ottawa, ON K1P 5Z9

Manitoba Pork Council
28 Terracon Place
Winnipeg, Manitoba
Canada R2J 4G7

Attention: Mr. Rick Bergmann, Chair

Tel: (204) 237-7447
Toll Free: 1-888-893-7447
Fax: (204) 237-9831
www.manitobapork.com

Re: Proposed Canadian Pork Promotion-Research Agency

Manitoba Pork Council (MPC) has reviewed the proposal for the creation of a Canadian Pork Promotion-Research Agency, draft dated June 26, 2015.

Manitoba Pork Council is pleased to note the progress made by CPC to develop the proposal as forwarded and applauds the work of the Directors and staff for their hard work to draw together support from across Canada for this proposal. MPC fully supports the proposal as written in the draft application to the Farm Products Council of Canada and looks forward to working with CPC on the development of the proposed agency.

The Board of Directors of MPC discussed the initial request for support for the concept of the proposed agency at its meeting on September 4, 2014, and sent a letter to Mr. Jean Guy Vincent on September 29, 2014, expressing its support and some points to be included in the final application. The Board further discussed the matter at its Board meeting on February 3, 2015, and confirmed its support as indicated to CPC earlier. In response to a request from CPC on June 30, 2015, MPC is now sending this further letter of confirmation of support.

For your information, Manitoba Pork Council was established as a Board under The Farm Products Marketing Act (Manitoba) and its provincial regulatory authority is set out in Manitoba Regulation 226/2002. Additional regulations deal with: the registration of hog producers who market hogs, require marketing information to be kept by producers and processors and are available to Manitoba Pork, and the imposition of levies on market hogs and weanlings. Registered producers are grouped into districts and provisions are made for the election or appointment of directors to the Board. Further, the federal authority on the collection of levies on interprovincial and export of hogs was delegated to MPC in Manitoba Hog Order (C.R.C.,c.154). There are currently 360 registered hog producers in Manitoba.

Manitoba Pork Council is pleased to support the Canadian Pork Council in its efforts to represent the interests of hog producers across Canada. Please feel free to contact me for further details.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Matheson", is written over a light blue horizontal line.

George Matheson
Chair

Cc Mr. Martin Rice
Mr. Gary Stordy
Mr. Claude Vielfaure
Mr. Scott Peters



May 16, 2014

Mr. Jean-Guy Vincent, Chairman
Canadian Pork Council
900-220 Laurier Ave. W
Ottawa, ON K1P 5Z9

Dear Mr. Vincent:

Sask Pork's Board of Directors fully supports the Canadian Pork Council's proposal for a Canadian Pork Research, Market Development and Promotion Agency. Our directors are appreciative of all the preparatory work that has been done on behalf of industry to get this proposal ready for submission.

This proposed national agency will strengthen the Canadian pork sector by creating greater alliances within our industry. A national agency that can collect and administer funds for valuable swine research and promotion would be beneficial for all producers.

Sask Pork represents more than 100 producers who market nearly 2.0 million hogs annually. The organization is guided by a producer-elected, six member Board of Directors representing a wide cross-section of all hog production levels and systems. Sask Pork operates under the *The Saskatchewan Pork Industry Development Plan Regulations, 2013 and the Agri-Food Act, 2004*.

Through the provincial levy and complementary funding support, Sask Pork delivers core programs and producer services including industry communications, product promotion, industry development and sustainability, economic and policy analysis, agri-education, producer services and swine industry research. Provincially, Sask Pork also administers and delivers the pork industry's Canadian Quality Assurance CQA® on-farm food safety program; Animal Care Assessment tool (ACA™), and the Trucker Quality Assurance (TQASM) program.

In conclusion, our Board of Directors is supportive of the agency proposal as written in the application to FPCC and look forward to the establishment of this agency.

Please contact us if you need any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Florian Possberg".

Florian Possberg
Chairman



July 29, 2015

Mr. Rick Bergmann, Chairman
Canadian Pork Council
900-220 Laurier Ave. W
Ottawa, ON K1P 5Z9

Reference: Proposed Canadian Pork Promotion-Research Agency

The Alberta Pork Producers Development Corporation (Alberta Pork) is supportive of the proposal for the creation of a Canadian Pork Promotion-Research Agency (CPPRA) draft dated June 26, 2015.

Alberta Pork represents the interests of approximately 400 registered producers in the province of Alberta and serves its members through an elected 8 person board of directors who direct the allocation of funding collected by its producer members.

The development of the CPPRA proposal incorporates a number of important elements in order to fairly represent the interests of both producers and importers; including the need for;

- provincial boards to report their accounting of levy expenditures to the CPPRA for verification for the purpose of the proposed national import levy;
- provincial boards to continue to determine how their collected levies will be spent in order to meet the needs of their producer program and operational needs;
- provincial boards to continue to collect producer levy for the benefit of their producer members as indicated in their respected provincial regulations and/or legislation.

Alberta Pork is pleased to support the Canadian Pork Council in its efforts to represent the interests of hog producers across Canada as well as the general interests of all those in the hog industry value chain through this proposal being submitted to the Farm Products Council of Canada.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darcy Fitzgerald".

Darcy Fitzgerald
Executive Director

cc: Martin Rice, Canadian Pork Council
Gary Stordy, Canadian Pork Council
Freda Molenkamp-Oudman, Alberta Agricultural Products Marketing Council
Alberta Pork Board of Directors

4828 - 89 Street
Edmonton, AB Canada T6E 5K1
PH: (780) 474-8288
FAX: (780) 479-5128
e-mail: albertapork@albertapork.com
www.albertapork.com



21 July, 2015

Mr. Rick Bergmann
Chairman
Canadian Pork Council
900-220 Laurier Ave. W
Ottawa, ON
Canada, K1P 5Z9

Dear Mr. Bergmann:

Re: Canadian Pork Council (CPC) application to the Farm Products Council for a
Pork Industry Promotion, Research & Market Development Agency

This letter is to confirm the support of the BC Pork Producers Association (BCPPA) for the Canadian Pork Council's application which seeks the authority to establish a Pork Industry Promotion, Research & Market Development Agency and collect a levy on imported live swine, pork and pork products.

Support for this application from BC pork producers was sought via an email poll/request, following a presentation at the BCPPA March 31, 2015 annual general meeting. The email request for input was sent twice to twenty-one registered BC hog producers/member farms accompanied by a summary of the application to the Farm Products Council, as supplied by the CPC. The BCPPA email specifically called for producers to respond by the deadline of 5pm PST on July 17, 2015 with either a "Yes, I support this application" or a "No, I do not support this application". The email clearly noted that no response by email would be considered as consent for the CPC application. The BC Pork Producers Association received one email response of "No, I do not support this application." The remainder were either positive email replies or no email response was received; no email response was counted as a positive response for the CPC application as outlined in the BCPPA email to producers.

The BC Pork Producers Association (BCPPA) operates under the Societies Act in the Province of British Columbia.

The purposes of the Society are:

- To promote interest in the breeding and production of swine within the Province of British Columbia, in whatever way the Association may see fit.
- To promote and encourage the exchange of information between packing, retail, and feed groups of the swine industry and the consuming public.
- To administer programs pertaining to the hog industry in British Columbia.
- To do everything incidental and necessary to attain the preceding objective throughout the Province of British Columbia.

BC Pork Producers Association

info@bcpork.ca
www.bcpork.ca

PO Box 8000 – 280
Abbotsford, BC V2S 6H1
T: 604-287-HOGS (4647)
F: 604-820-6647



The operations of the Society are to be chiefly carried on in the Province of British Columbia. The BCPPA is funded through levies provided by the BC Hog Marketing Commission (BCHMC). The BCHMC is provided powers to collect levies on all hogs marketed in the Province of British Columbia through the Natural Products Marketing (BC) Act.

Any individual, partnership or corporation engaged in pork production in the Province of British Columbia who is a registered producer under the B.C. Hog Marketing Scheme, or who has previously been a Registered Producer for a minimum of 10 years, may apply for and hold one active membership in the Association. BCPPA Board of Directors are elected by the active membership. Associate members in the Association shall be open to representatives from the packing, retail, feeding industries, and all other residents in British Columbia who show an interest in the swine industry. The Associate members will not have a vote in the business of the Association and are not eligible to stand for election to the Association's Board of Directors.

The BC Pork Producers Association looks forward to hearing of a favourable response by the Farm Products Council and, with the other producing provinces in Canada, moving forward on the implementation of the Pork Industry Promotion, Research & Market Development Agency which will benefit all producers and stakeholders in Canada.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jack DeWit', is written over a faint, light blue circular stamp.

Jack DeWit
President
BC Pork Producers Association

BC Pork Producers Association

info@bcpork.ca
www.bcpork.ca

PO Box 8000 – 280
Abbotsford, BC V2S 6H1
T: 604-287-HOGS (4647)
F: 604-820-6647



July 24, 2015

Mr. Rick Bergmann, Chairman
Canadian Pork Council
900-220 Laurier Avenue West
Ottawa, ON K1P 5Z9

Dear Mr. Bergmann:

Re: Canadian pork producers' submission (via the Canadian Pork Council) of an application for the creation of a Pork Promotion-Research Agency.

This is to inform you that the Canadian Meat Council fully supports the Canadian Pork Council's application to create a national agency for pork promotion, market development and research activities, consistent with the provisions of the *Farm Products Agencies Act*.

As you are no doubt aware, the Canadian Meat Council represents Canada's federally registered meat packers and processors, as well as the industry's numerous suppliers of equipment, technology and services. The meat industry is the largest component of Canada's food processing sector, registering annual sales of over \$24 billion, exports exceeding \$5.5 billion and direct employment for some 65,000 individuals (both rural and urban, and across the country).

We note that although this submission has been prepared on behalf of Canada's hog producers, the establishment of a National Pork Promotion-Research Agency is of great importance to all participants of the pork supply chain.

Sincerely,

James M. Laws, P.Ag.
Executive Director



CANADA PORK INTERNATIONAL
CANADA PORC INTERNATIONAL

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July 3, 2015

Mr. Rick Bergmann
Chair
Canadian Pork Council
220 Laurier West Avenue, Suite 900
Ottawa ON K1P 5Z9

Dear Mr. Bergmann:

Canada Pork International (CPI) is the export and domestic market development agency of the Canadian pork industry. CPI's Mission is to promote "Canada as the preferred supplier of pork worldwide" and CPI is working with all stakeholders for the purpose of increasing market penetration through: greater market access; developing promotional programs and services; acquiring market intelligence and reducing Canadian logistical barriers to exports.

CPI is a joint initiative of the Canadian Meat Council (CMC), representing the federally registered pork packing and processing establishments as well as trading companies, and of the Canadian Pork Council (CPC), which is the federation of the nine provincial pork industry associations in Canada.

The CPC and the CMC are the only two Principal Members of Canada Pork International and each appoint 6 members to the CPI Board of Directors, subject to term limits. In addition, each Principal Member appoints an observer to the CPI Board of Directors.

Canada Pork International unconditionally supports the application that seeks the authority to establish a Pork Industry Promotion, Research and Market Development Agency and collect a levy on imported live swine, pork and pork products.

Do not hesitate to get back to me should you require any additional information.

Yours truly,

A handwritten signature in black ink, appearing to read 'Neil Ketilson', written in a cursive style.

Neil Ketilson
Chair

