

# The Year in Review and the Way Forward



*Karl Kynoch, Chairman*

# How will you remember 2009?

**SWINE FLU**

**DEPRESSED PRICES**

**PRODUCERS EXITING  
THE INDUSTRY**

  
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We can remember 2009  
for those things, or we can  
remember it for ...

INCREASED PORK CONSUMPTION

ADVANCES IN TRACEABILITY

STRONG PORK EXPORTS

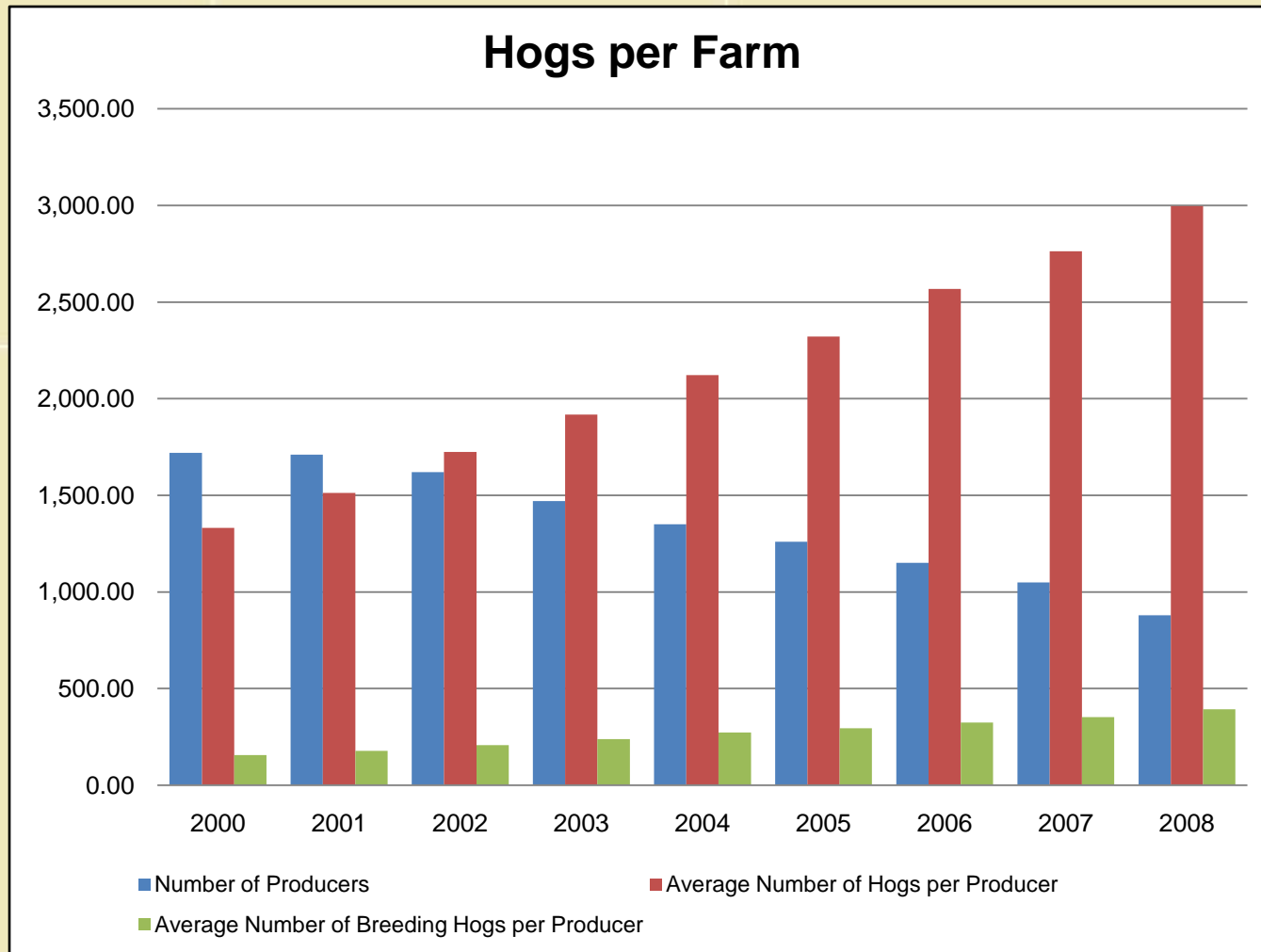


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# Manitoba has fewer producers, but strong production

\*Note:  
Agriculture  
and Agri-Food  
Canada stats  
show  
Manitoba  
produced  
more than  
**8 million pigs**  
in 2009.

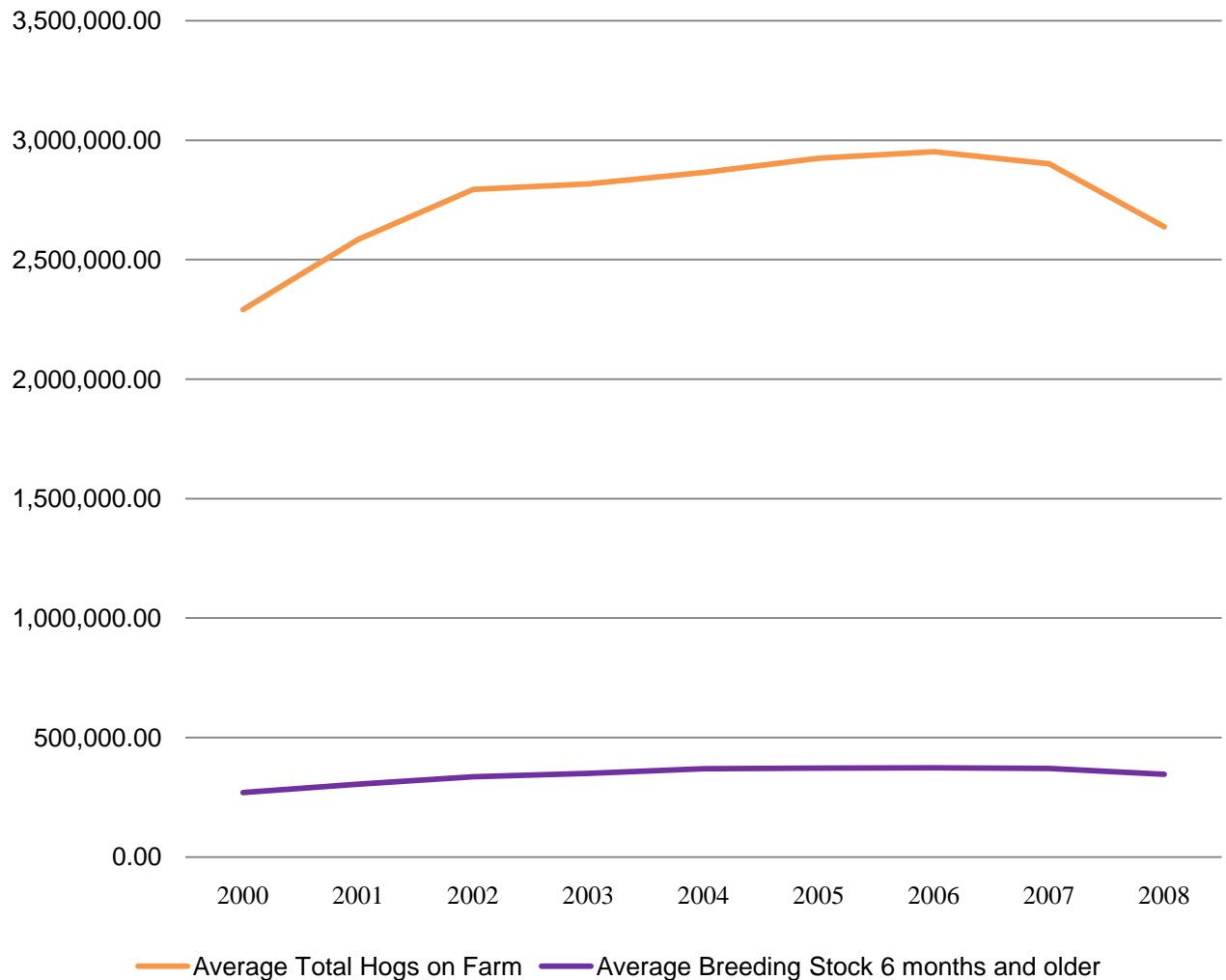


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# Decline in the last few years

## Total Hogs on Farm in Manitoba

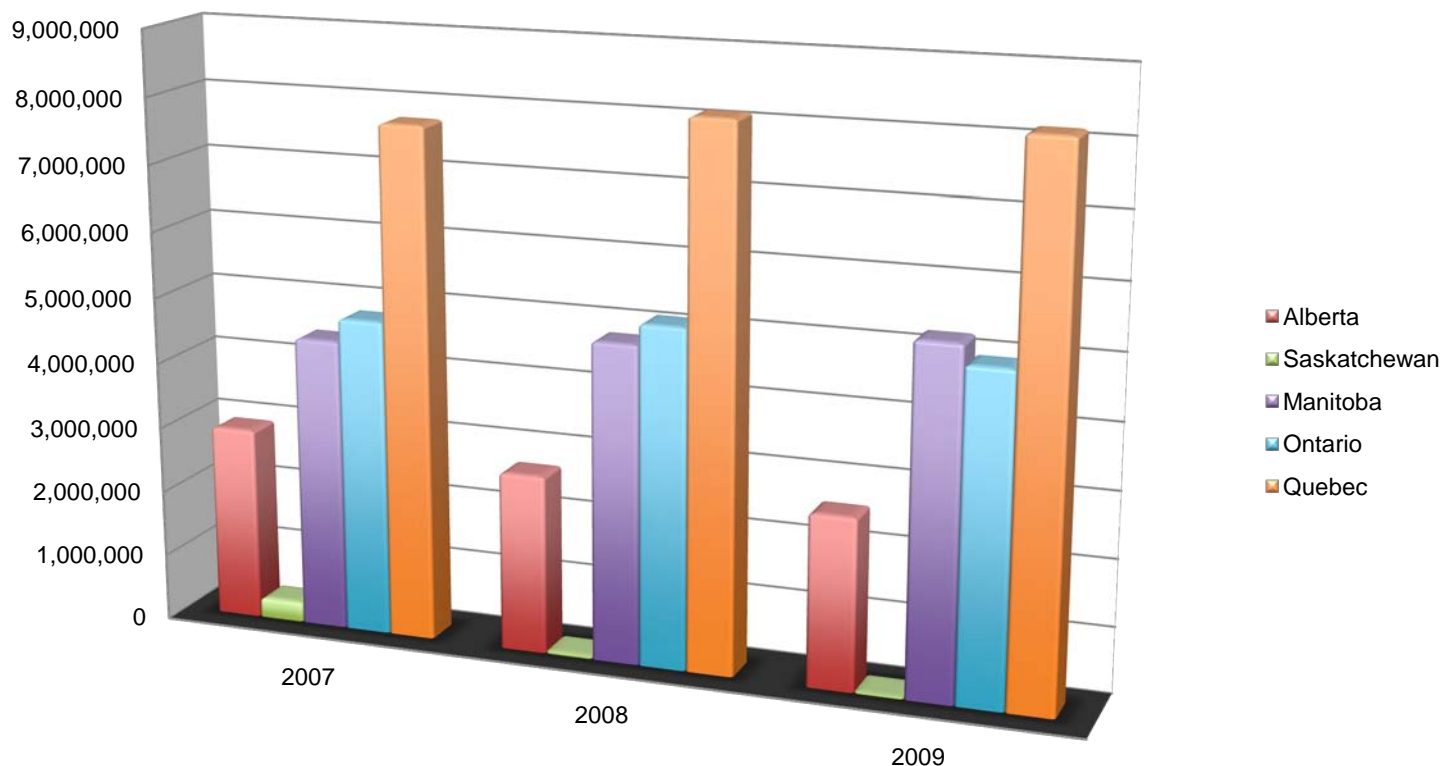


  
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# Slaughter capacity continues to increase

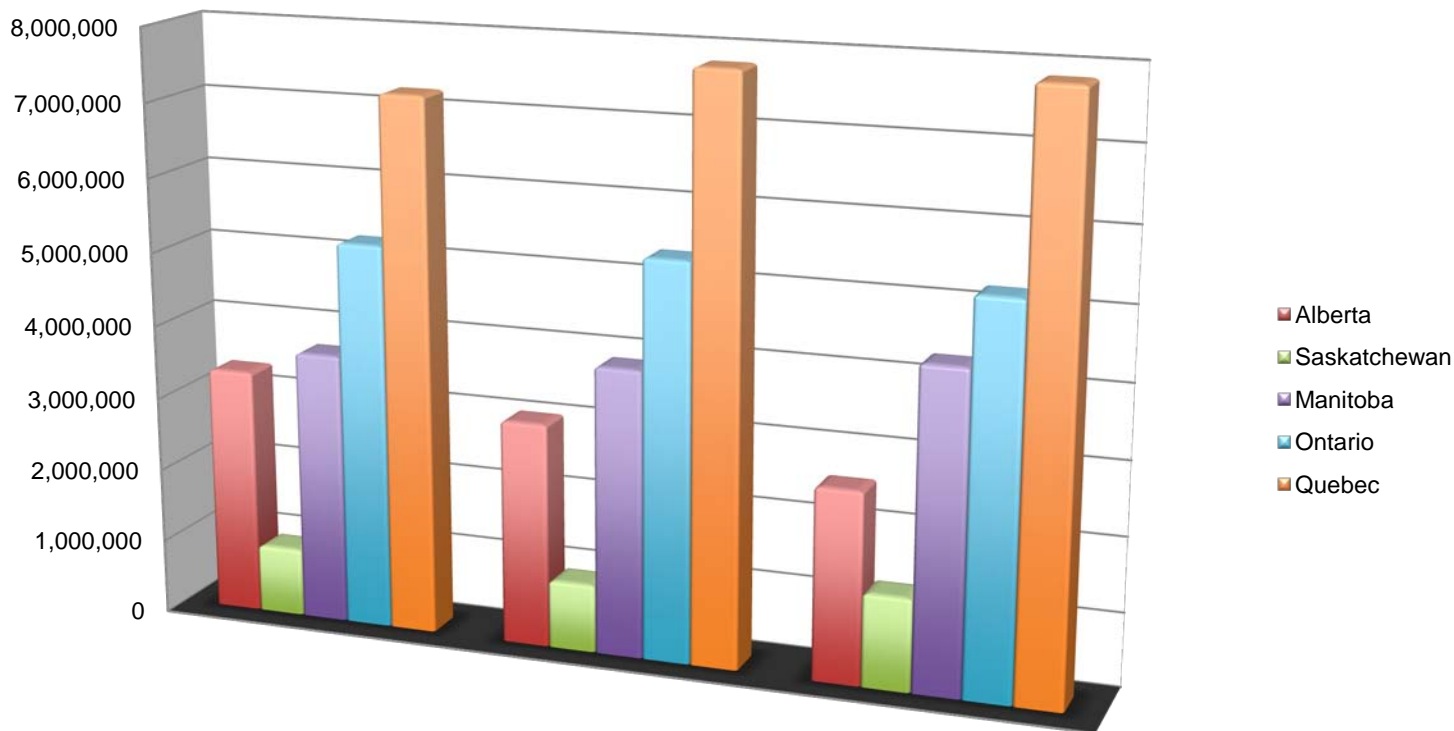
## Total Year End Slaughter by Province



Source: AAFC - Origin of Hog Slaughtered in Canadian Plants Summary

# More Manitoba pigs processed in Canada

## Province of Origin for Total Slaughter in Canada



Source: AAFC - Origin of Hog Slaughtered in Canadian Plants Summary

Manitoba pigs processed in Manitoba:

- 2009 – 4,279,795

  
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We continue to work on getting a new US-based plant that will take Canadian-born pigs.



  
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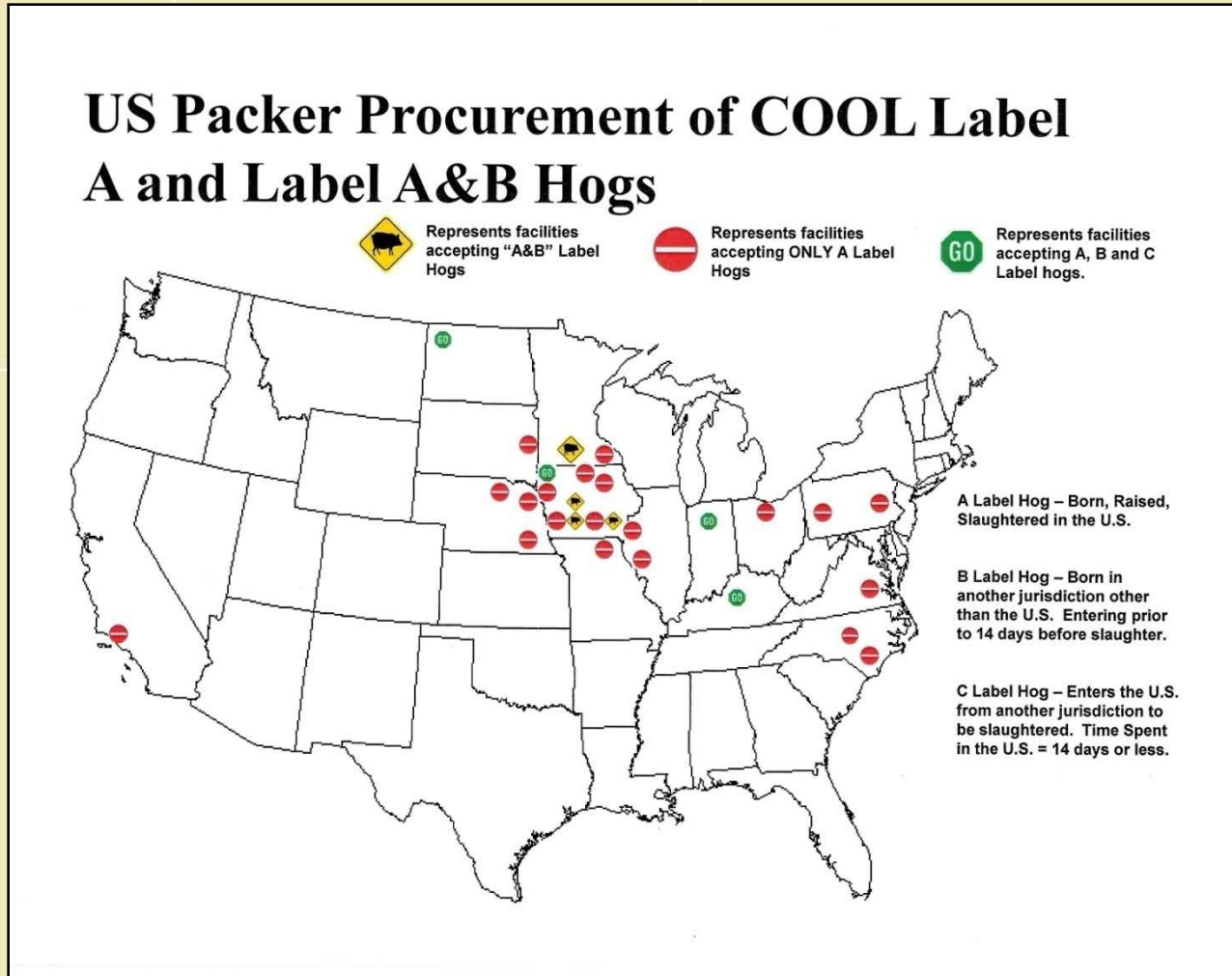
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# Country of Origin Labelling has settled out

Manitoba exports of live pigs to the US in 2009:

Weanlings/feeders  
3.5 million

Slaughter hogs  
478,000

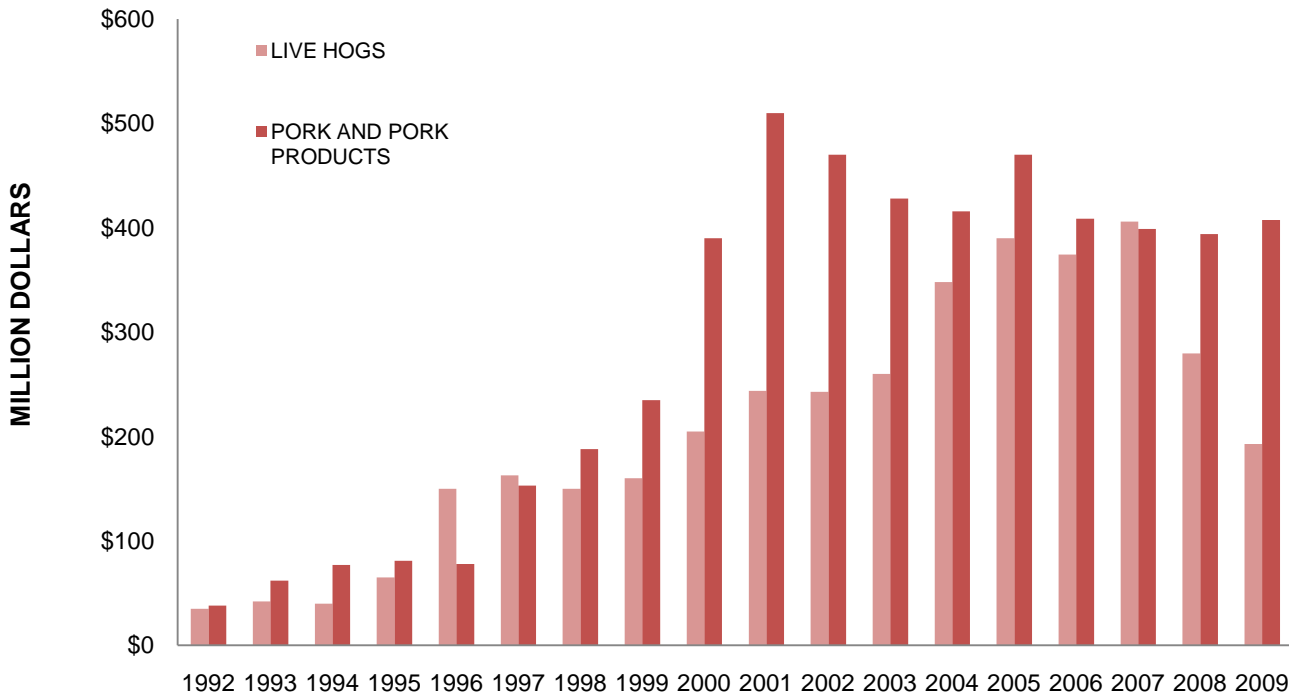


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# While live animal exports decline, pork exports remain strong

MANITOBA PIG AND PORK EXPORTS  
TO OTHER COUNTRIES 1992-2009



  
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# Federal funding to grow markets for Canadian pork

- The federal government pledged \$17 million in the International Pork Marketing Fund “to undertake strategic activities to recover markets lost due to the H1N1 virus, reposition for sales of higher valued products, to build markets and gain recognition for Canadian pork products, to increase market access for Canadian pork products, and to enhance export capacity in response to industry-identified needs.”

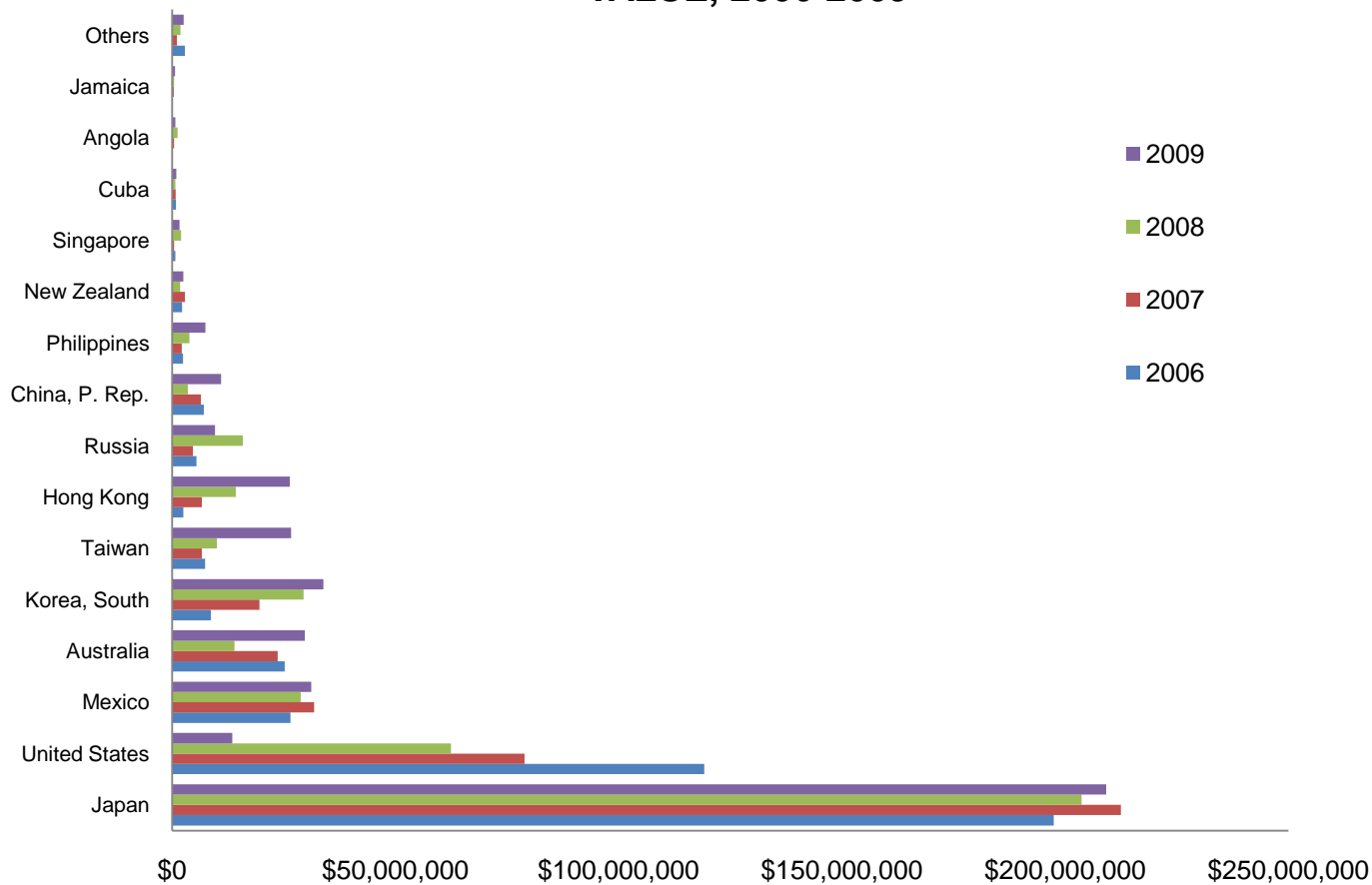


  
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# Manitoba's export markets

**MANITOBA PORK EXPORTS BY COUNTRY  
VALUE, 2006-2009**



Note: The US pork industry has focused its efforts on Mexico – Nov. 2009 exports to Mexico were up 23.9% over Nov. 2008. That leaves Japan to Canada.



# Manitobans purchased more pork in 2009!

Total fresh pork sales in Manitoba and Saskatchewan ending October 24, 2009 showed an 11% increase over the same period in 2008. That's consumption of nearly 11 million kg.

- Total cured pork saw a 3% increase.
- Nationally, fresh pork sales increased by 4%, and cured pork sales decreased by 1%.
- Pork sales increased in the other provinces:  
BC = 1%; AB = 11%; Ontario = 3%; Quebec = 1%;  
Maritimes = 4%.

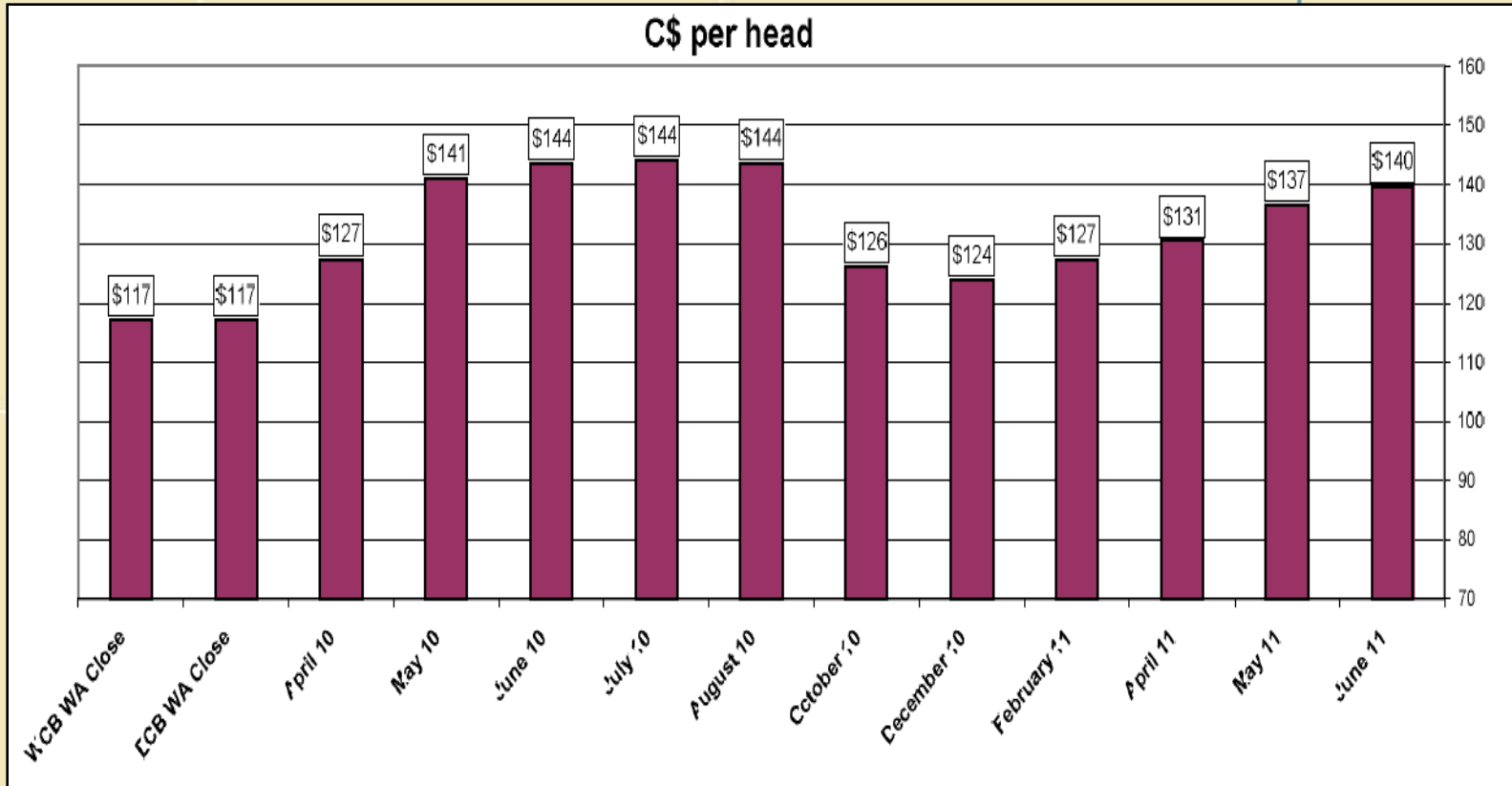
*MPC served its 250,000<sup>th</sup> pork on a bun!*



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# Hog prices look to be going up



Price graph courtesy RBC Dominion Securities



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# For some, it's too long to wait



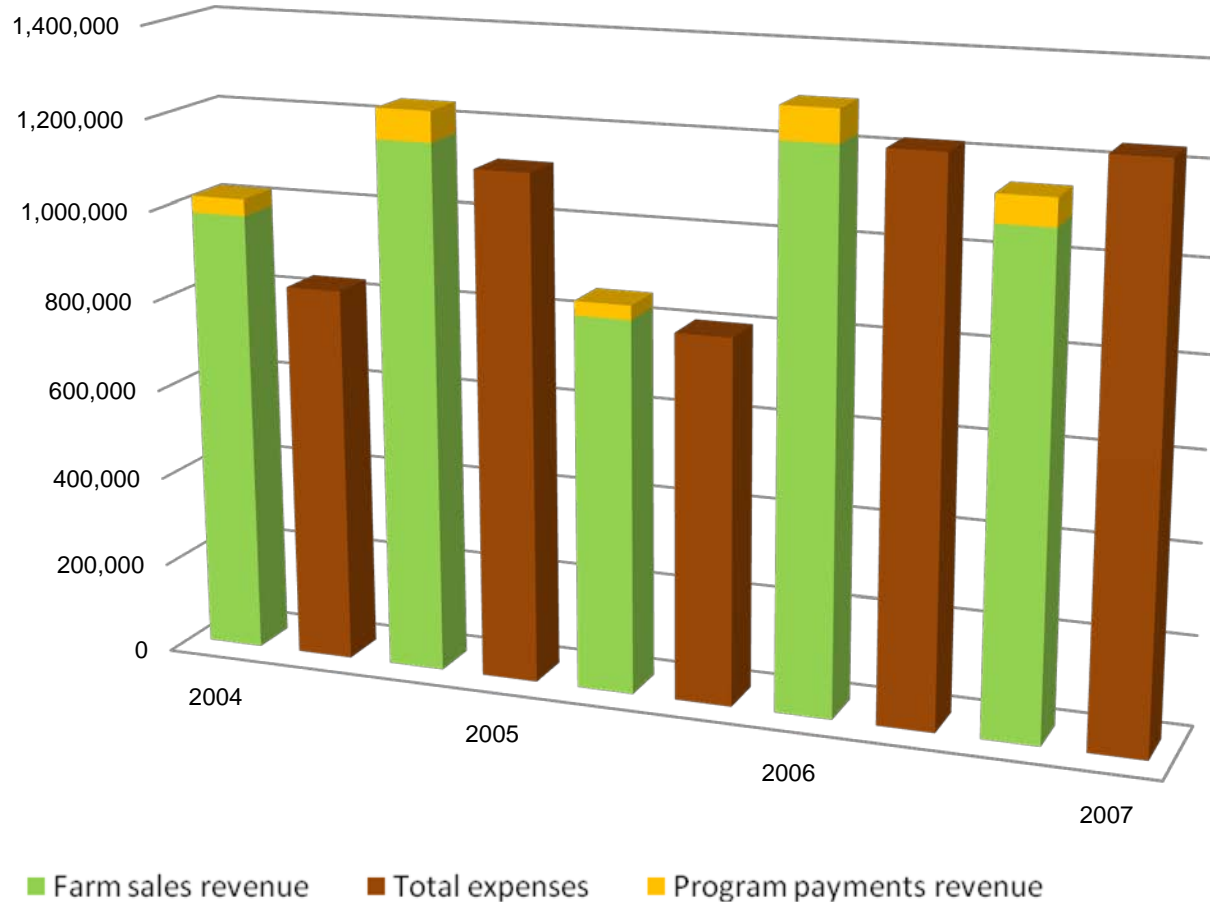
But it would have been worse without government-backed financial programs.

  
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# Government payments have made a difference

Average Farm Revenue and Expenses (2004-2008)



  
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# Some Manitoba producers have taken advantage of HFTP



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada



Canadian Pork Council  
Conseil canadien du porc

## Hog Farm Transition Program Cumulative Successful Bid Summary by Region

Province Name	# of Bids	# of AUEs	Total Bid Value	# of Sows	# of Wean to 30 kg	# of 31 kg to Market
British Columbia	9	4,851.80	\$3,745,399.75	7,009	20,218	21,541
Alberta	57	11,636.54	\$9,516,697.75	11,828	28,882	88,845
Saskatchewan	15	8,771.14	\$7,783,848.49	16,748	28,002	24,970
Manitoba	76	22,681.49	\$18,432,271.12	46,752	49,798	63,072
Ontario	189	28,583.55	\$25,013,882.30	37,954	95,225	159,007
Quebec	62	6,966.64	\$5,711,915.57	7,916	18,987	48,024
Atlantic Region	16	2,377.62	\$1,544,697.74	2,814	7,111	15,425
<b>Total</b>	<b>424</b>	<b>85,868.78</b>	<b>\$71,748,712.72</b>	<b>131,021</b>	<b>248,223</b>	<b>420,884</b>

Note: This report does not include successful bids that have been withdrawn.



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# Hog Industry Loan Loss Reserve Program

It was imperfect, but it did help some producers.

Total Loan Registration Approved	282
Total Loan Amount	\$444,013,925.18
Total Reserve Amount	\$264,668,615.44

*\*Chart shows Canadian totals.*



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# Advance Payments Program

- Manitoba Pork Credit Corporation negotiated a stay of default on over \$60 million of Advance Payments Program loans with the federal government.
- MPCC also set up a new creditor and new line of credit of \$40 million to come into effect this year.
- MPC lobbied the provincial government to make an early Targeted Advance Payment under AgriStability for hog producers.



  
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# Necessity is the mother of invention

## AgriStability Plus – idea from the grassroots

- Proposed by Bryan Ferriss and Murray Downing as a companion or top-up to the AgriStability program.
  - Based on a full cost of production model.
  - Bankable and predictable.
  - Insurance-based, bilateral agreement between the federal government and the producer.
  - Underwritten by the federal government, and producers would be responsible for the full cost of the premiums.



  
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# Protecting current markets and capturing new opportunities



  
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# Domestic promotion

- Domestic marketing is getting the attention it deserves.
- Pork Marketing Canada, or some kind of interprovincial group is taking shape.



  
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# Improving food safety

## Funding for needle-free injectors

- MPC worked with Manitoba Agriculture Food and Rural Initiatives to secure rebates of up to \$2,000 on the purchase of needle-free injectors.
- Manitoba producers can add another layer of safety to the food supply chain and boost the competitiveness of our industry.



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# Making Canada's pork industry more competitive

The Canadian Pork Council's National Traceability Program made great strides in 2009.

- Agri-Traçabilité International and Allflex Inc. have become strategic partners.
- Ear tags now available for breeding swine.

The USDA has dropped funding for traceability, which puts Canada ahead of the United States on the international market as traceability becomes more important to customers.



  
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# Maintaining Canadian herd health

CPC announced the establishment of the **Canadian Swine Health Board** March 30, 2009.

- It is Phase 2 of a federal government program to combat disease and enhance prosperity and stability in the hog sector.

\$40 million for activities related to biosecurity, emerging diseases research and long-term disease risk management strategies.



  
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# Converting the masses



  
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# A strong argument?

[http://www.youtube.com/watch?v=GKTsWjbjQ8E&feature=player\\_embedded](http://www.youtube.com/watch?v=GKTsWjbjQ8E&feature=player_embedded)



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Thank you very much!



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