



Canadian Pork Council  
Conseil canadien du porc

**BRIEF TO THE HOUSE OF COMMONS STANDING COMMITTEE ON AGRICULTURE AND AGRI-  
FOOD  
REGARDING PROCESSING CAPACITY IN THE PORK SECTOR**

**Thursday, March 4, 2021**

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Thank you for the opportunity to share the Canadian Pork Council's (CPC) recommendations to address the shortage of pork processing capacity in Canada. Canada's pork producers work hard every day to produce a high-quality, affordable protein that is in demand in Canada and around the world. Canada exports almost 70% of its pork production. Those exports to more than 90 countries exceed \$5 billion and contribute significantly to the health of rural communities and the broader Canadian economy.

CPC welcomes the Committee's interest on this topic, and we are committed to work with all levels of government to help identify ways to make the pork processing sector in Canada more resilient. This submission includes a review of the current and historic context of packing capacity in Eastern and Western Canada and several recommendations that strengthen an already dynamic pork industry.

## **CURRENT CHALLENGES:**

### **Processing Capacity**

Pork processing capacity in eastern Canada was operating at full capacity prior to the COVID-19 pandemic. The pork industry operates a "just-in-time" delivery system from farms to processing facilities. Producers know six months in advance the number of pigs to be delivered and plan accordingly. Any disruption in the supply chain has a cascading effect that impacts the welfare of animals and the mental health of producers.

There is an opportunity in Canada's pork sector, to expand pork processing. Market hogs and feeder pigs are routinely exported to the US and represent a lost opportunity to add value to the animal here in Canada.

There is a particular opportunity to expand cull sow and boar processing in Canada. At present, the majority of our cull animals are exported to the US for processing. The CPC was pleased that Donald's Fine Foods has announced its intention to build a sow processing plant in Moose Jaw. Producers look forward to any remaining hurdles being cleared and construction beginning.

### **Acute labour shortage**

To fully utilizing the available capacity and expanding the processing sector must have access to skilled workers. From on-farm production to processing facilities, access to skilled workers is a critical issue for the pork industry.

The current acute labour shortage impacts many sectors in addition to agriculture, making it even more difficult to attract and retain talent. The Council strongly believe that the government of Canada and provincial governments must more actively address this shortage.

The labour shortage prevents pork producers from capitalizing on the opportunities arising from the trade agreements negotiated over the last decade. Every empty position in a processing

facility is a lost opportunity to produce value-added products that are in high demand in other markets.

### **Risks of market disruption.**

Over past three years, the pork industry has experienced a series of market disruptions that have never been seen before. Market disruptions caused by COVID-19, protectionism, tariffs, and African Swine Fever (ASF) has pushed the limits of our industry's resilience. The recent resurgence of interests in mandatory and voluntary country of origin labelling in the United States and the increasing number of countries impacted by ASF are putting further pressure on producers.

An outbreak of ASF in Canada would immediately result in our major trading partners closing their markets to Canadian pork and live animals. This would in turn cause a price collapse given the massive backup in the number of hogs that would be unable to move through the supply chain. These challenges arising from on the outbreak of a foreign animal disease can be partially mitigated by the development of zoning or compartmentalization agreements - While bilateral negotiations are underway to develop these agreements with key trading partners more work can be done.

Canada should strive to include a recognition of zoning in all its trade agreements. The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) provides an example of how this can be achieved.

## **RECOMMENDATIONS**

### **COVID-19**

The pork supply chain continues to be disrupted as food processing workers continue to become exposed to COVID-19. This leaves critical positions unfilled, decreased capacity and the shut down of processing facilities. Most recently, a Red Deer -based operation was forced to close temporarily. The closures - even for relatively brief periods - have a major impact on pork producers.

As COVID-19 vaccines become more readily available, we would like to voice our support for granting priority access to workers employed in critical infrastructure and essential services such as food processing.

Canada's National Strategy for Critical Infrastructure has designated the food and agriculture sector and its supply chain as part of the nation's critical infrastructure, and all provinces have designated these as essential services. This ensures that planting, harvesting, processing, and distribution of human and animal food can continue to meet the needs of consumers.

We fully appreciate and support that our first responders, medical professionals, elderly and care providers, along with other vulnerable individuals clearly have the highest priority for vaccination. However, we ask that processing facility workers be considered as the next highest priority for vaccination.

## **Investment and Capacity Growth**

With the necessary conditions in place, Ontario has the ability to grow the industry by increasing processing capacity by 40,000 to 60,000 hogs per week. In Western Canada, we believe there is a strong business case for additional sow processing. New facilities would result in more revenues that can be reinvested in the Canadian economy.

North America continues to shift to vertically integrated or vertically coordinated production models. The success of cooperative or producer-owned models in Canada demonstrates that producers can be part of the extended value chain, resulting in a more stable business model.

Exploring partnership ideas between producers and pork processors/distributors (both domestic and international) with the goal of increasing processing capacity in Canada would be the logical next step in an industry development strategy.

## **Labour**

Canada needs to ensure an adequate supply of labour to the sector so that it can meet existing growing demand and remain competitive with international counterparts. Hiring Canadians to fill these positions has always been the first choice for employers in the sector. However, positions continue to remain vacant and the industry must rely on attracting workers from other countries. Viable pathways to permanent residency are needed to encourage these workers to become Canadian citizens.

On May 15th, 2020, the Government of Canada launched its Agri-Food Immigration Pilot. This pilot is intended to provide pathways to permanent residency for workers currently employed in meat processing and primary production. The pilot provides a path to resolving the labour gap and workers with the opportunity for a pathway to permanent residency.

This program is not the silver bullet. We believe we can do more to attract Canadians to choose the agriculture as a career of choice.

## **Conclusion**

We would like to reiterate our appreciation for the committee's interest in processing capacity in Canada. As shown above, we strongly believe that we have all the right tools to create a thriving processing sector. While the current COVID-19 pandemic has underlined the vulnerability of the agri-food processing sector in Canada, it also demonstrates its overall resilience.

Our industry is built on individuals who are passionate about feeding people. We depend on successfully accessing national and international markets. That success requires a competitive processing sector.

On behalf of the tens of thousands of Canadians that depend on our industry, and to secure the protein supply chain from coast to coast, please consider these recommendations.

Sincerely,

A handwritten signature in black ink that reads "Rick Bergmann". The signature is fluid and cursive, with the first name "Rick" and last name "Bergmann" clearly distinguishable.

Rick Bergmann  
Chair, Canadian Pork Council

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