CPC REPRESENTS CANADA’S HOG PRODUCERS
WHAT ARE THE TOP SIX PRIORITIES IN 2019?

1. CPE REALIZING VALUE
2. PIG CODE REVIEW
3. ENHANCED ADVOCACY PROGRAM
4. MADE-IN-CANADA HOG PRICE
5. PROMOTION AND RESEARCH AGENCY
6. PigSAFE PigCARE LAUNCH
1. **ADVOCACY IS WHAT WE DO.**

- More important than ever to tell our story
- Business Risk Management
- Trade files remain active
- African swine fever
- Pork Check Off Agency (A “Top Six” priority)
- 2019 federal election
PORK MAKES AN IMPORTANT CONTRIBUTION TO THE CANADIAN ECONOMY

Pork production generates **direct farm gate** annual sales of $4.1 billion dollars per year.
70% OF CANADIAN PORK IS EXPORTED
In 2017:

Over 1.2 million tonnes of pork and pork products valued at over $4 billion were exported to 87 countries.
Top 10 value markets for Canadian pork

- **China**: $557 million
- **Korea**: $133 million
- **Japan**: $1.2 billion
- **Taiwan**: $97.6 million
- **United States**: $1.4 billion
- **Mexico**: $194 million
- **Australia**: $60.7 million
- **New Zealand**: $33.6 million
- **Chile**: $35.5 million
2. EXPORTS MATTER, BUT ARE THEY REFLECTED IN PRODUCER PRICES?

Canada bases much of its market hog sales on a US live hog reference price, but ...

...how does that price connect to the Canadian market?

– No arbitrage in pigs
– Tariffs on US pork
– Foreign Animal Disease
A “MADE-IN-CANADA” PRICE IS A BETTER OPTION. HOW MUCH BETTER?

• Consultant study will begin in January 2019 and has three objectives:
  – Is there more value in Canadian pork and in what markets?
  – How much is that value? Is it enough to matter?
  – What would be a better indicator?

• Building an indicator – still need to negotiate?
3. THE PIG CODE IS 5 YEARS OLD. WHAT HAVE WE LEARNED?

- 2014 Code of Practice for the Care and Handling of Pigs.
- 104 requirements – figured out 103
- Completing the transition to group housing by 2024 may not be possible.
PIG CODE REVIEW PROCESS

Review process starts

CTP assembled
Discussions start

Periodic exercise results

CTP presents summary report

60 day public comment period

Amendment presented at NFACC

NFACC meeting December 5-6, 2018

July, 2019

September, 2019

NFACC meeting December, 2019
CODE TECHNICAL PANEL

• Chaired by Hans Kristensen, the CTP will include:
  • Producers (Hans Kristensen, Yvan Frechette, James Reesor, Claude Vielfaure)
  • Veterinarian
  • Animal welfare
  • Processor
  • Research
  • Federal government
  • Retail:

• This group will draft the review summary report and present it to NFACC.
PANEL REPORT TO INCLUDE

- Progress on research priorities identified by the Code development process
- Information on Code awareness and implementation
- Information pertaining to the value demonstrated from the current Code and its continued relevance
- Any challenges identified with the current Code and their degree of relevance in terms of prioritizing a Code update
- The Code Technical Panel’s recommendation(s) for consideration by the NFACC
PRIORITIES 4 AND 5

4. PigSAFE and PigCARE 2019 Soft Launch

5. Canadian Pork Excellence - Valuing our efforts
CQA

PigSAFE

PigCARE

ACA
PigSAFE | PigCARE PROGRAMS IMPLEMENTATION

Development of:
- Training platform for producers and validators
- Management System Manual

Training Sessions Starts

Launch

Validation Starts

End of CQA/ACA

2018

2019

2022
PigSAFE | PigCARE PROGRAMS MATERIAL

PigSAFE | PigCARE Programs material now available on the CPC website: https://www.cpc-ccp.com/canadian-pork-excellence
LONG TERM OBJECTIVE

CFIA Food Safety Recognition Program

Tech Review Part #1

HACCP Generic Model + Producer Manual

- Recognized in 2004

Tech Review Part #2

- Management System

- Objective 2019

On-Farm Implementation Assessment

- Objective 2025
1. Why does the credibility of PigSAFE | PigCARE matter?
2. What are the key challenges that may limit credibility?
3. What is being done to address these challenges?
4. What are the key messages for producers?
THE CREDIBILITY NEEDS DIFFER AMONG VALUE CHAIN STAKEHOLDERS

Canadian

Safe food for Canadian

Consumer

Retail and Food Service

Processors

Governments

Producers

Agriculture and Agri-Food Canada

Health Canada

CFIA-ACIA
CPE IS ABOUT TALKING TO CANADIANS AND CONSUMERS.

Canadians:
- Canadians want to know their food is safe and responsibly produced
- Do not want to feel guilty about eating meat
- Drive regulation – if they are unhappy

Consumers are different:
- Buy pork products that are safe to eat.
- Nutritious, affordable.
- Easy to prepare, delicious,
RETAIL AND FOOD SERVICE

- Need to protect their brands.
- We asking them to use Verified Canadian Pork or feature Canadian pork as part of their differentiation strategies. How do they manage the risk?
- What specific assurances are they looking for and how do they demonstrate to their customers that these assurances are “real”.
- Are they comfortable referencing our on-farm programs?
PROCESSING

• They get demands from their customers, questions on animal care.
• Meeting CFIA regulations. Do you have control over your inputs? (including prerequisite plans)
• Only as strong as the weakest link and Canada has a widely used, “national standard”. Protection from other operators.
• Canadian Ractopamine-Free Pork Certification Program for the export market (China, Taiwan) and perhaps domestic.
AAFC / HEALTH CANADA

CFIA

• Health Canada - mandate of protecting the health of Canadians

• Want to encourage industry action – because government can’t do it all by themselves.

• CFIA’s Food Safety Recognition Program

• AAFC focus on a profitable/competitive sector
PRODUCERS

- Producers will not waste time on foolishness
  - e.g. CQA Drug Use Policy

- Producers need to be able to address the needs of the supply chain in an affordable manner. Enabled by working together.

- Producers benefit from accessibility to packers. Regardless of your size, you can participate in a credible program.

- Joint protection from a national standard, but ...

- Assurance of consistency. I’m investing, are others?
KEY CHALLENGES LIMITING CREDIBILITY?

• Conflict of Interest:
  – The producer being validated is hiring a validator that also provides other services (e.g. herd health program)
  – Validators juggle multiple hats (assessing, educating, veterinarian)
  – Larger systems may use an employee as the validator.

• CPC accepts this conflict as we see strength in the process.
• The intent is not to simply audit a farm and walk away but to help producers improve and demonstrate the good work.
KEY CHALLENGES LIMITING CREDIBILITY?

- Site Managers/Producer lack of involvement:
  - Too many site managers rely on the validator.
  - The appropriate documentation is not kept at the site, but at the veterinarian / validator office.
  - Site manager must understand the program and its implementation.

- Validators completing the program for the producers:
  - Validators completing the SOPs, corrective actions, and some records for the site manager.
KEY CHALLENGES LIMITING CREDIBILITY?

- Lack of consistency:
  - Between validators and validations.
  - Some validators are known for being more flexible.

- Producer’s perception:
  - Wide range of price variation for validation ($360 to $1,200).
  - Confusion between cost of a validation and cost of a simultaneous herd health visit.
RISK IN FAILING TO ADDRESS THESE CREDIBILITY CHALLENGES.

• Member of the supply chain may choose to abandon the program and demand something different (e.g. Whole Foods – organic and animal welfare).

• Producers no longer have a national program.

• Producers may be forced to accept third-party auditor and the additional costs.
ONGOING WORK TO ADDRESS CREDIBILITY CHALLENGES.

1. Internal Program Audit
2. Code of Conduct
   - Clear responsibilities for Validators.
3. Clarifying reasons to dismiss a validator.
THE FOCUS ON CREDIBILITY IS GENERATING SOME DISCUSSION.

- These measures may create some push back from validators or producers.

- We need to be ready to acknowledge these concerns and address them.
VALUING CPE

➢ The three buckets of value:
  ➢ Value of pork
  ➢ Public Trust
  ➢ On farm management

➢ Discussions regarding potentially sharing the value derived from CPE have only started.