Peak Weanling Exports 4.48 Million 2007

Market Hog Peak 5.35 Million in 2005

No. of Market Hog 2014 Estimated 5.02 Million

Average No. of Hogs on Farm in 2014 2.91 Million

Average No. of Sows on Farm in 2014 314,000

Peak Average No. of Hogs on Farm 2.95 Million 2006

No. of Weanlings exported 2014 Estimated 2.54 Million

Peak Average No. of Sows on Farm 368,000 2006
CANADIAN DOLLAR EXCHANGE RATE WITH US DOLLAR

Source: Bank of Canada
BOARD ...getting involved

ELECTED to Board in 2000

WEANLING PRODUCERS: created new District in 2001 to reflect growth ....annual exports hit 5 million weanlings prior to 2008

BOARD RESTRUCTURING: reduced # of Districts ..... increased # of Directors/district

MEMBERS: moved from Delegates to District Advisors

MEETINGS: reduced # of district meetings, length of Board and AGM meetings
MARCH 2004: NPPC FILES PETITION AGAINST CANADIAN PORK INDUSTRY FOR ANTIDUMPING AND COUNTERVAILING DUTIES

- DUTIES 10%+ APPLIED TO IMPORTED SWINE FOR NEXT 5 YEARS
- POTENTIALLY MB PRODUCERS COULD PAY TOTAL $50-70M
- MPC INTRODUCES SPECIAL LEVY TO RAISE $6M TO FIGHT CASE
- CPC AND OPP RAISE ADDITIONAL $7 M
US TRADE DISPUTES

**MARCH 2005**: US DEPT COMMERCE RULES COUNTERVAILABLE SUBSIDIES NOT BEING PROVIDED TO CANADIAN PRODUCER

**APRIL 2005**: US INTERNATIONAL TRADE COMMISSION RULES AGAINST DUMPING CHARGE

MAJOR SUCCESS FOR CANADIAN INDUSTRY TO RETAIN MAJOR MARKET FOR PRODUCERS

CANADA HAD LOST MOST CASES FOR 30 YEARS....... CRIPPLED DEVELOPMENT OF INDUSTRY
US: COUNTRY OF ORIGIN LABELLING

2002: MPC starts lobbying against COOL ..... leaflets at World Pork Expo
2008: US Congress amends legislation ..... Manitoba live animal exports to US drop by almost 40% for weanlings and 90% for finished pigs
2008: Canada starts Case against US at WTO in Geneva
2009: Hearing of DSB Panel in Geneva
2011: Report issued ..... Canada/Mexico win
2012: US appeals report findings but loses ..... again
2013: US changes COOL ..... but makes it worse; Compliance Panel formed
2014: Compliance Panel report ..... US loses and appeals
2015: Appeal Panel hearing ..... retaliation on imports?
US TRADE ADVOCACY PROJECT

• 2005: Started with meetings with US state pork associations in April
• 2006 onwards: Participate in winter trade shows focussing on Iowa and Minnesota and World Pork Expo in summer
• 2005 onwards: participate in missions to US Congress in Washington DC with Canadian Pork Council
• Regular meetings with US officials at state and federal level
• Regular meetings with US producer organizations and industry officials
• Work with Canadian consular officials on trade promotion between both countries
• “Get to know people”……deal with misconceptions….provide real facts and figures……dispel rumours on the ground
Washington DC
January 2008
US Farm Media
Using trade booth to meet with US farm media
Meeting with Canadian Consul General and President IFB
Minnesota January 2015

Meeting with Commissioner of Agriculture
Des Moines, Iowa  January 2015

Meeting with Leaders in Iowa hog industry, Consulate and State officials
TRADE BOOTH
Iowa Pork Congress Trade Show
GOVERNMENT RELATIONS

• Became one of biggest challenges facing Board
• Bad public policy
• Bad faith dealings
• Bill 17.....“moratorium” in main production area
• Bill 34.....expands area to whole Province
• 30+ new provincial regulations introduced affecting industry
• Continuous meetings with Ministers
• Public hearings: NEW NORMAL for Board?
Bill 17
The Moratorium

.....and then Bill 34
Major PR campaign in Winnipeg
Premier Doer
Wpg. Free Press

Premier Doer BBQ May 2009
Premier Selinger at MCC breakfast September 2011
Meetings with Premier and Ministers….
Resolving the Moratorium
Feb 2012…
Dec 2014
Meetings with federal politicians at U of M May 2010 Ministers Ritz and Toews
INDUSTRY RESTRUCTURING

• Vertical integration……2 companies produce and process 50% of finished pigs in MB…and process other 50%
• Size of industry doubled in 15 years
• Number of producers dropped from 1500 to 200 registered producers
• Farrow-Finish barns replaced with 3-site system
• Exports over $1 billion annually
• Change not painless…..bankruptcies, buy-out programs
PROCESSING SECTOR

OLYWEST PROJECT

HYLIFE BUYS OUT SPRINGHILL

MAPLE LEAF FOODS DOUBLES SHIFT IN BRANDON

MLF EXPANDS BACON/HAM PROCESSING IN WINNIPEG
# Manitoba Hog Production

**Numbers of Hogs**

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manitoba</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoban Origin Hogs Slaughter Domestic</td>
<td>4,003,778</td>
<td>4,345,063</td>
</tr>
<tr>
<td>Manitoban Origin Hogs Slaughter Export</td>
<td>1,345,598</td>
<td>318,479</td>
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<tr>
<td>Slaughter Hog Production</td>
<td>5,349,376</td>
<td>4,663,542</td>
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<tr>
<td>Total Feeder / Weanling Export</td>
<td>3,634,034</td>
<td>2,696,889</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,350,290</td>
<td>7,360,431</td>
</tr>
</tbody>
</table>

**Manitoba has dropped finished pig production by 700,000 or 230,000 finisher places in 8 years**

STATISTICS CANADA 2013
PUBLIC RELATIONS

- Major effort over 15 years to improve public perception of industry
- Politicians have told us we have an “image problem”
- Based programming on general public love for the product to win hearts
- Good public relations will reduce political interference in business
- To be effective need to spend at least $0.5 -1.0 million annually
- Have to win hearts and souls….play on emotions
- Need to be creative but can ‘borrow” good ideas from other industries
Industry Leadership

- Board had to lead when there wasn’t consensus......take a position
- Sustainable Development Plan for Hog Industry in Manitoba....first in Canada
- Target dates for changes in animal welfare practices
- Open support for free trade deals
- Public Profile.....in the media all the time
- Managing crises
- Support national bodies....even when not popular
Animal Care

• Farmer versus Urbanite issue……..neither side understands the other???
• Science versus emotions and ignorance
• Compromise versus positioning
• National Codes of Practice……..how to balance interests of producers with processors and retailers?
• W5 Show on Puratone Barn in Interlake……..visceral, not easy to manage
• Industry has to lead or cede ground to other interests……..which could be worse
Disease Management

• Canadian Swine Health Board programs….federal government funding
• MB government complimentary support
• Truck washing standards
• Special provisions in CFIA regulations to allow trucks from US to be washed and disinfected in MB
• Establishment of Western Canada Swine Health Information Network
Business Development

• Credit……operate APP program…had $60 m line of credit to help through tough times….Stay of Defaults
• Support programs…..sow buy-out program, temporary barn closures
• Barn Insurance……growing issue…..looking at options for producers
• Cash Flow Management……developed program but need government support
• New Investment capital….developed concept of guarantee program
• Hog Mortality Insurance …..almost there?
Looking forward…

- Investment capital
- Cash-flow management
- Replacement of aging buildings and equipment
- Mortality insurance
- Building insurance
- Labour and management knowledge/skills
- Labour force
- Processing capacity
- New technologies
New standards to differentiate Canadian pork in marketplace
Looking forward……

• Building a new value-chain model which shares the risk and the profits
• New export markets
• Grading of meat cuts for quality
• New products for new customers
THANK YOU........

.........it’s been a blast!