

Are There Any Lessons We Can Learn From the Canadian Pork Industry?



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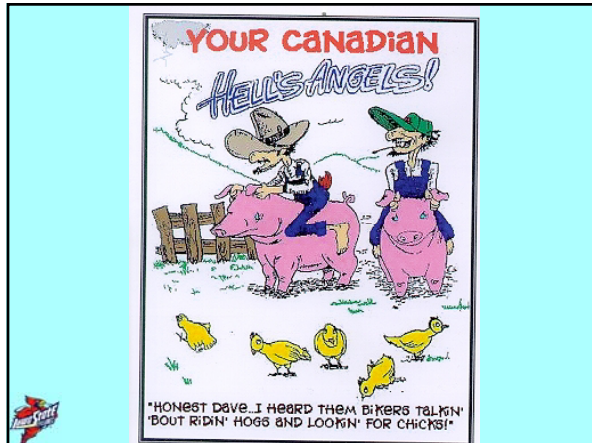


I have worked with the Canadian pork industry for 33 years

I have worked with the U.S. pork industry for 23 weeks

CONCLUSION

I have no way of knowing what, if any, lessons Iowa can learn from the Canadian pork industry



Life, liberty and the pursuit of happiness

- U.S. Declaration of Independence (1776)

Peace, order and good government

- Canadian British North America Act (1867)



Outline

- Historically significant events in the Canadian pork industry
- Structural and production factors that contributed to the growth of the Canadian pork industry
- Factors leading to the downsizing of the Canadian pork industry
- Lessons?



“The Times They Are A-Changing”

-Bob Dylan, 1964



The line it is drawn
The curse it is cast
The slow one now
Will later be fast
As the present now
Will later be past
The order is Rapidly fadin'.
And the first one now
Will later be last
For the times they are a-changin'



Other's Thoughts on Change

- It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change [Charles Darwin]
- It is not necessary to change. Survival is not mandatory [W. Edwards Deming]
- To change the name and not the letter, is a change for the worst, and not for the better [Robert Chambers]
- Profound and powerful forces are shaking and remaking our world. And the urgent question of our time is whether we can make change our friend and not our enemy [Bill Clinton]
- Change is inevitable - except from a vending machine [Robert C. Gallagher]



Significant Events in the History of the Pig Industry in Canada

- In 1907: federal meat inspection introduced
- In 1922: national hog grading regulations introduced
 - Changed focus of Canada from lard-type to meat-type pig
- In 1930's: sale of bacon and hams to Britain increased 13-fold (Bacon for Britain)
 - Changed focus for the Canadian industry to include export sales
 - Further drove move from lard production to lean

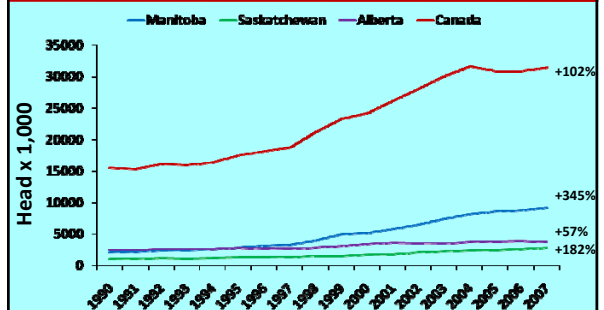


Saskatchewan: 30 Years of Change

	1975	2008
Sow housing	Indoors & Outdoors	Indoors
No. Sold/yr	500 to 5,000	3,000 to 1,000,000
Breeding	95% boars	90% A.I.
Genetics	Purebred/crossbred	Synthetic lines
Health status	Diseases endemic	Largely high health
Vet. Care	General practice	Specialized
Dressed wt.	154 lbs	202 lbs
Days to mkt.	200	175
Sow prod.	13-16 pigs/sow/yr	22-28 pigs/sow/yr
ADG – grow/finish	1.1 to 1.3 lb/d	1.6 to 2.0 lb/d

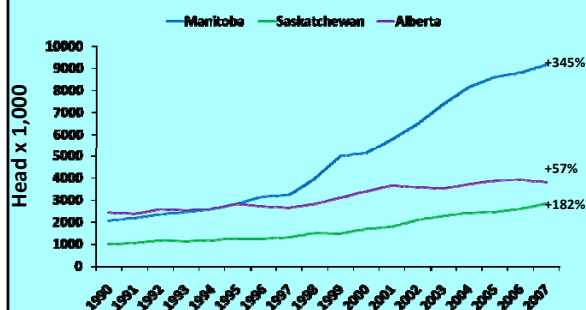


Annual Hog Marketings



Source: Canada Pork Council, 2008

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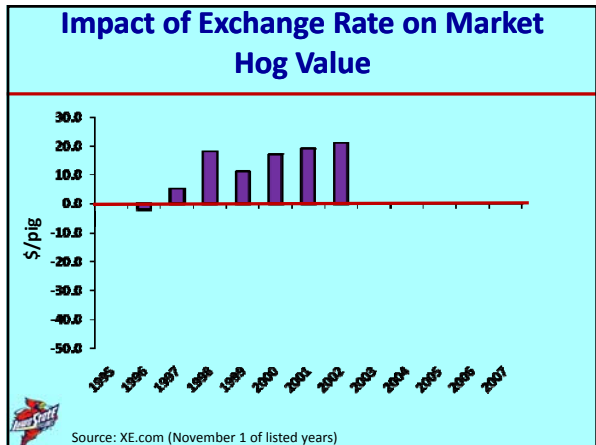
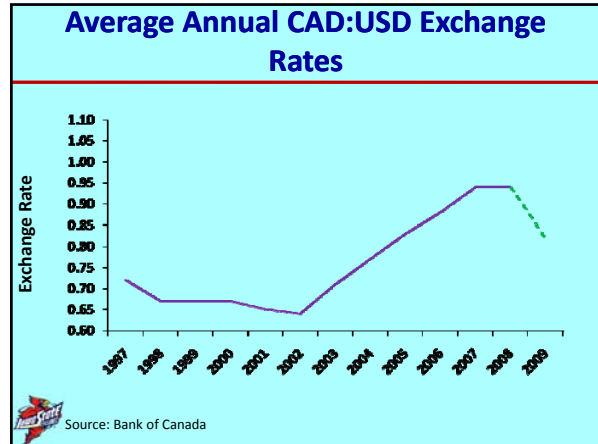
Structural Factors Supporting Growth of the Canadian Pork Industry

- Repeal of the Western Grain Transportation Act in 1995



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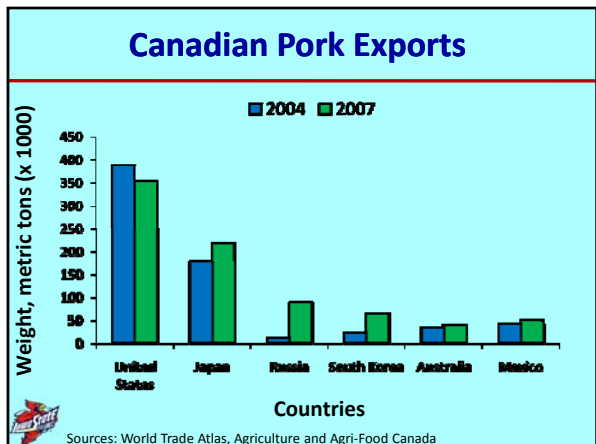
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- Export market driven
- Encouragement of provincial governments
- Positive nutrient balance
- Abundant land base




Pigs/Year/Acre of Farmland

Region	No. of pigs produced/year	Arable farmland (acres)	Pigs per year/ acre of arable farmland
Denmark	26,300,000	5,926,575	4.44
The Netherlands	11,356,000	2,760,167	4.11
North Carolina	18,359,000	8,474,671	2.17
Iowa	32,938,000	30,747,550	1.07
Quebec	7,337,200	8,558,000	0.86
Ontario	7,399,400	13,330,000	0.55
Manitoba	9,169,200	19,073,000	0.48
Alberta	3,805,600	52,150,000	0.07
Saskatchewan	2,836,000	64,233,000	0.04

Sources: 2007 US Census of Agriculture, Canadian Pork Council, Danske Slagterier, USDA, Dutch Agri-sector 2008, Statistics Canada, 2006 Canadian Census of Agriculture, EuroStat Agriculture Statistics 2008



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- High herd health




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- High awareness of, and attention to, biosecurity







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- Diverse, high quality genetic supply

Nucleus Herds

- Hypor
- Fast Genetics
- PIC
- Topigs
- Genetiporc
- Danbred


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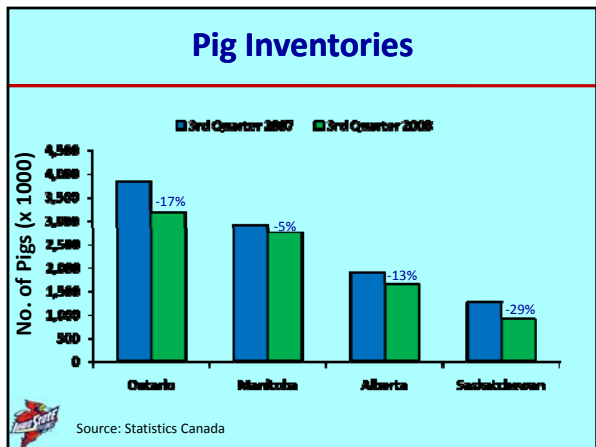
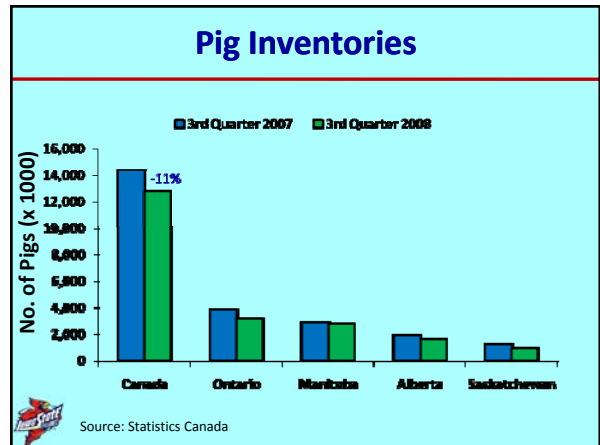

Production Factors Supporting Growth of the Canadian Pork Industry

- High herd health
- High awareness of biosecurity
- Diverse, high quality genetic supply
- Strong support of R&D, coupled with rapid adoption of new technology
- Diverse feed ingredient supply




From a production perspective, I think Prairie pork producers "got it right."

Production success is critical to an industry's success, but it will not guarantee an industry's success

Factors Leading to the Canadian Pork Industry's Downsizing

- Difficult financing environment



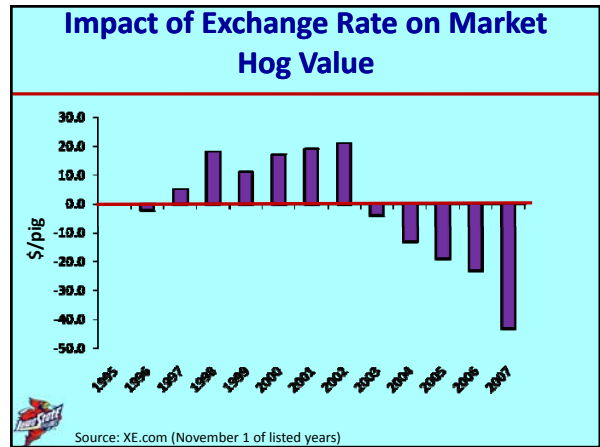
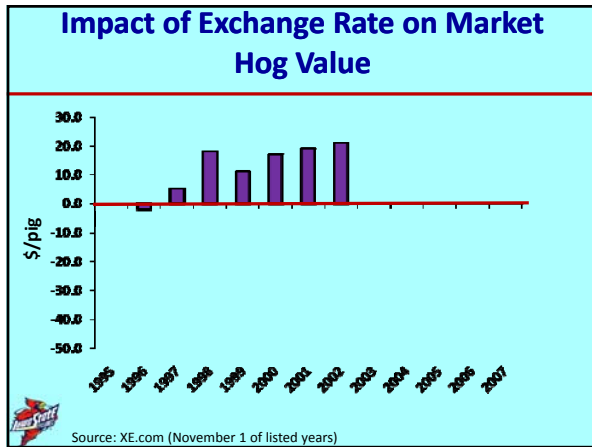

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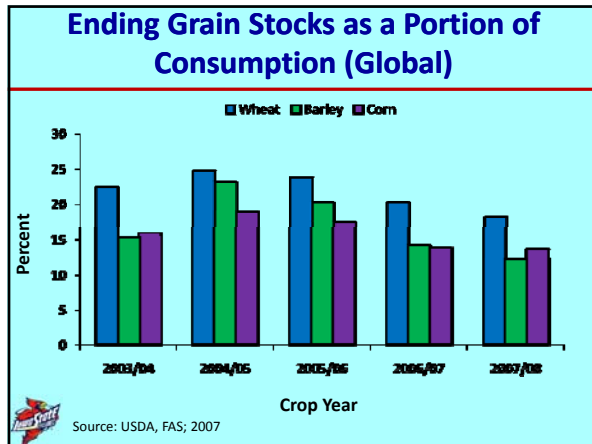
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 - COOL

- ### Potential Lessons
- Beware of dependence on favorable exchange rates
 - Beware of dependence on the export market
 - Importance of supportive legislators

