



ONTARIO PORK

Resolutions Response

September 2, 2021

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Letter from the Board Chair

September 2, 2021

Dear Delegates, Substitutes, Presidents and Secretaries:

On behalf of the Board of Directors, I thank all delegates and pork producers' associations for participating in the 2020 resolution process. Your efforts in developing thoughtful resolutions provide valuable means for the Board to attain and capture your input.

As you may know, resolutions included in this booklet were not debated in 2020, as the annual general was cancelled due to COVID pandemic. Since then, we have not had an opportunity to meet face-to-face as the government restrictions on public gatherings remained in effect.

This booklet contains actions taken and planned with respect to the resolutions included in the 2020 Resolutions Booklet.

Resolutions 8, 16 and 17 will be debated at the in-person Policy Day planned to be held in the fall 2021 subject to COVID restrictions.

I encourage each of you to read and consider the responses given. Further questions pertaining to the issues outlined in these resolutions can be directed to the Board of Directors, or to Ontario Pork staff.

Sincerely,



John de Bruyn
Board Chair

Governance

RESOLUTION 1 – Ontario Pork’s political structure

FOR Debate

Whereas Ontario Pork represents all pork producers in the province and depends on grassroots input and engagement to ensure an organized and unified voice; and

Whereas the number of pork producers has been steadily declining; and

Whereas producer participation is critical for a well-functioning electoral structure; and

Whereas the Political Structure Review Committee, established by the Ontario Pork Board of Directors, developed a model that better represents the changing producer demographic:

Zones	Proposed delegate numbers*	Proposed Board positions
Southwest (Elgin, Essex, Kent, Lambton, Middlesex)	21	1
Perth	16	1
Huron	13	1
North Central (Grey/Bruce, Simcoe/York, Waterloo, Wellington/Dufferin)	17	1
Southeast (Golden Horseshoe, Haldimand/Norfolk, Niagara, Oxford)	25	1
East (Durham, Frontenac, Glengarry/Prescott, Nation Valley, Northumberland/Quinte, Ottawa Valley, Peterborough, Kawartha Lakes, Temiskaming/Cochrane)	11	1
At large		3
TOTAL:	103	9

**Calculated based on the current delegate allocation formula and the 2018 data including sow/early wean and small market producers*

- Length of term for delegates: three years

- At large Board members will be elected from all delegates at Ontario Pork's annual general meeting
- Length of term for Board positions: three years
 - A maximum of 12 years (plus the time required to complete the term) in the lifetime
- If no Board member is elected in the zone, delegates from other zones participate in the election, held at the Ontario Pork annual general meeting
- No limitation of the number of Board members from the same zone
- Two elections in the zones and one at-large election are held each year

Whereas the advantages of the proposed model include providing more flexibility, strengthening the Board, and ensuring that the best people are elected to serve as delegates and as Board members;

Therefore be it resolved that Ontario Pork approaches the Ontario Farm Products Marketing Commission with a request to adopt the proposed model of the Ontario Pork political structure.

Submitted by the Ontario Pork Board of Directors

RESPONSE:

In April 2021, due to continued COVID restrictions, the Ontario Pork Board of Directors decided to postpone the political structure review until 2022 to ensure a comprehensive consultation process with members about the proposed structure, once in-person meetings can safely resume.

RESOLUTION 2 – Affordable internet and natural gas

FOR Debate

Whereas pork producers continually strive to remain competitive;

Therefore be it resolved that Ontario Pork lobby and work with all levels of governments to provide the framework so we can operate our farming business efficiently by having access to affordable internet and natural gas.

Submitted by the Kent Pork Producers' Association

RESPONSE:

Internet

On April 12, 2021, the Ontario legislature passed the Supporting Broadband and Infrastructure Expansion Act, 2021. This legislation will help reduce barriers that can cause delays with broadband deployment, so communities can access reliable, high-speed internet sooner.

Gas

Federal government announced on March 8, 2021:

- An additional \$300 million over five years to advance the government's commitment to ensure rural, remote and Indigenous communities that currently rely on diesel have the opportunity to be powered by clean, reliable energy by 2030.
- \$165.7 million over seven years to support the agriculture sector in developing transformative clean technologies and help farmers adopt commercially available clean technology.

In December 2020, Ontario's government launched Phase Two of its Natural Gas Expansion Program to continue to expand natural gas to farms and rural communities.

RESOLUTION 3 – Carbon tax

FOR Debate

Whereas carbon tax has increased the cost of production and reduce our global competitiveness;

Therefore be it resolved that Ontario Pork work with and support the OFA initiative to get grain dryers and livestock facilities exempt from the carbon tax.

Submitted by the Kent Pork Producers' Association

RESPONSE:

Earlier this year, the Ontario Federation of Agriculture (OFA) engaged Agri-Food Economic Systems to conduct a financial assessment and analysis of the cost the federal carbon tax will have on Ontario's agriculture industry.

In May 2021, Ontario Pork submitted its input into ongoing government consultations about the Next Policy Framework, calling for rebates and/or exemptions on carbon tax related to farming activities.

Hog Pricing

RESOLUTION 4 – Pricing information tool

FOR Debate

Whereas Ontario Pork’s mission is “to foster a vibrant business environment for producer; and

Whereas the Ontario Pork values #4 is “Working in partnership with producers and stakeholders within the industry; and

Whereas to achieve this mission primary producers need to have available to them, more accurate financial information on our packer/processing sector similar to OMAFRA swine budget and published monthly; and

Whereas the financials of Canadian packer/processing stakeholders is not documented publicly at all, as the majority are private companies;

Therefore be it resolved that Ontario Pork be charged with the task of development of a model for a Canadian packer/processor to be used to actively capture the financial picture monthly of the sector of the industry, the info could be a tool to use by producers when negotiating their direct contracts for hogs

Submitted by the Simcoe/York Pork Producers’ Association

Note*:

- Processing is the major indicator/reason for the “hog cycle”; if all the hooks are full, no need to pay.
- Government is constantly touting the need for greater exports/GDP but offer little support to gain the stability needed for the vibrant industry.
- As an industry we need less disparity (feast or famine) between partners in the chain.
- No one needs to make the entire profit at the expense of the other partners.

** Provided by the Simcoe/York Pork Producers’ Association*

RESPONSE:

Ontario Pork recognizes the value that this model would provide to producers. For a model like this to be truly meaningful, an accurate estimate of Canadian wholesale pork prices would be required. Although Canadian pork prices generally follow the US market, differential market access can make Canadian prices higher or lower. The Canadian Pork Council (CPC) is currently preparing a business case to demonstrate the need for the federal government to collect and publish a Canadian Wholesale Pork Price.

RESOLUTION 5 – Pricing formula**FOR Debate**

Whereas Quebec producers have lobbied the Quebec government to negotiate a formula price base on the cutout to support Quebec producers;

Therefore be it resolved that the Ontario Pork Board lobbies the Ontario government for a pricing model that supports Ontario producers better than the current formula pricing system.

Submitted by the Oxford Pork Producers' Association**RESPONSE:**

Since 2010, Ontario Pork is no longer the sole marketer of hogs in the province; producers have choice in marketing options. Ontario Pork does not have marketing authority, but it has the authority to publish prices of all Ontario hogs in the mandatory price report. Ontario Pork also calculates a US based formula price referred to as the 100% formula price, which is used as an indicator of what US hogs are worth in Canadian dollar terms.

The 100% formula is a reference price and can be used in pricing formulas or for a comparison of negotiated formulas between producers and processors. In follow-up to price reporting consultations with producers held in September 2020, Ontario Pork continues to explore options that could support better, more equitable pricing mechanisms for hogs.

RESOLUTION 6 – Pricing formula

NOT FOR Debate

Whereas Ontario producers are at a disadvantage versus Quebec Producers for their hog in Ontario and whereas our current pricing mechanism is based of a declining number of US hogs that no longer reflects what is happening in the market place; and

Whereas the market price the producers are receiving is often lower than the meat price;

Therefore be it resolved that Ontario Pork approach the Farm Products Marketing Board to have all direct to packer hog contracts expire on the same day and furthermore look into the option of using the carcass price instead of the current price mechanism.

Submitted by the Kent Pork Producers' Association

Supported by the Haldimand/Norfolk Pork Producers' Association

RESOLUTION 7 – Determining hog value

NOT FOR Debate

Whereas the formula price has been an effective method of determining value for market hogs for many years: and

Whereas the percentage of open market "bid and ask" hog sales keep declining leaving concerns whether or not the formula price as constructed enables producers to receive a competitive share of the market value for their hogs; and

Whereas the USDA publishes a daily cut-out price indicating the relative value of a hog carcass; and

Whereas some U.S. producers, as well as all Quebec producers, are using this daily cutout price along with the formula price, for determining their hog value based upon a percentage of this USDA cut-out value report; and

Whereas the margin between the cut-out price and the formula price paid to producers has gradually widened over time, decreasing the proportion of market hog value that is paid to producers;

Therefore be it resolved that Ontario Pork conduct research regarding the different methods of determining hog value, with a view towards assisting Ontario producers negotiate more durable price discovery methods, for the benefit of the entire Ontario pork industry, producers and processors.

NOTE: The Canadian Pork Council completed a study on developing a Made In Canada Price. The key findings and full study can be found at: <https://www.cpc-ccp.com/made-in-canada-hog-price-index>. Noting that there cutout pricing has increased in usage and that there is no transparent price on the value of pork cuts in Canada, the report recommended using a US cutout price or a composite price based on live hog and cutout base prices be used in combination with a premium for Canadian animals.

Glynn Tonsor's presentation at the 2019 Annual General Meeting highlighted the wealth of data available through the US Department of Agriculture's Livestock Mandatory Reporting (LMR) system. The presentation can be found on the Ontario Pork website: [https://www.ontariopork.on.ca/Portals/0/Docs/Communications/AGM/2019/OntarioPork_Tonsor\(3.19.19\).pdf?ver=2019-04-25-105021-767](https://www.ontariopork.on.ca/Portals/0/Docs/Communications/AGM/2019/OntarioPork_Tonsor(3.19.19).pdf?ver=2019-04-25-105021-767). Dr. Tonsor observed that less than 3% of animals are sold on a negotiated basis, but there are a number of pricing categories reported. The CME Constructed price used in Ontario Pork's 100% formula price is a weighted average of the Negotiated, Negotiated Formula, and Swine or Pork Market Formula categories.

Ontario Pork Marketing Division

RESOLUTION 8 – OINK database

FOR Debate

Whereas Ontario Pork has developed an industry leading data base in OINK that makes it very easy and convenient for producers to track all aspects of sales and grading; and

Whereas other marketers and producers outside of OP marketing could benefit from the use of OINK for tracking and record keeping purposes;

Therefore be it resolved that Ontario Pork Marketing explore the possibility of licensing or contracting out the right to use OINK by entities outside of OP marketing, this may even include data input for a fee by Ontario Pork Marketing.

Submitted by the Middlesex Pork Producers' Association

RESPONSE:

Based on the recommendation from the Resolutions Committee, the Board of Directors included resolution 8 for a debate at a resolutions session at the 2021 Policy Day planned to be held in October 2021 subject to the government restrictions on public gatherings at that time.

Associations

RESOLUTION 9 – Supplementary grant surpluses

FOR Debate

Whereas Ontario Pork has \$10,000 per county per year set aside for supplementary grants and this money is not getting applied for and disbursed; and

Whereas producers farms are getting larger and requiring more time, thus not allowing producers the time to attend local events and fairs;

Therefore be it resolved that Ontario Pork hire 1-2 summer students to attend local events and fairs and use undispersed funds from the supplementary grant fund to subsidize the wages of these summer students.

Submitted by the Middlesex Pork Producers' Association

RESPONSE:

Ontario Pork allocates \$90,000 a year for annual grants and supplementary grants for all associations. Approximately 50% of this amount is fixed allocation to association annual grant.

A local pork producers' association can apply for a supplementary grant for qualified projects through an application process to ensure that these funds are distributed in an open, fair and accountable process and to the best benefit of the pork industry in Ontario. The current policy caps funds for supplementary grants at \$10,000 per association per year to ensure that multiple associations can access the grants.

Ontario Pork supports events that benefit all Ontario pork producers; events are evaluated using the following criteria: cost, promotion of the Ontario pork brand, increasing consumption of pork, and educating consumers who may not usually eat pork. Various promotional resources and event support are available for associations and can be covered by the existing supplementary grants program. Should requests exceed the \$90,000 budget, Ontario Pork's Board of Directors, at its discretion can increase the funds for that year.

RESOLUTION 10 – Deadstock

FOR Debate

Whereas every pork producer has to be able to successfully manage their deadstock; and

Whereas poorly maintained and managed deadstock disposal sites can be a huge detriment to our public image as pork producers; and

Whereas OMAFRA has shown an interest in helping us solve this problem; and

Whereas our deadstock rendering company plays an important role in facilitating the pickup of our deadstock;

Therefore be it resolved that Ontario Pork set up a task force or committee that includes all players involved to come up with a plan to address our issue of maintaining, managing and the handling of deadstock so it doesn't harm our public image.

Submitted by Huron and Perth Pork Producers' Associations

RESPONSE:

When raising livestock, mortalities happen, and management of deadstock can impact the reputation of farms and the industry. Deadstock bins can also put biosecurity at risk, as infectious material can be moved by rendering trucks, equipment, people or animals that visit these sites. To support proper deadstock management, Ontario Pork shares best practices, alerts and recommendations with producers through regularly scheduled email updates, in-barn educational posters and materials, and direct outreach to producers experiencing challenges with deadstock management.

RESOLUTION 11 – Wild pigs

FOR Debate

Whereas it has been noted that wild pigs are becoming established in rural Ontario, and;

Whereas this invasive species is very destructive and represents a grave health threat to our industry, and;

Whereas we have a small window of opportunity to eradicate wild pigs before the population grows and range expands;

Therefore be it resolved that Ontario Pork lobby appropriate authorities to put strategies in place that lead to the eradication of wild pigs in the Province of Ontario.

Submitted by the Grey Bruce Pork Producers' Association

RESPONSE:

Ontario Pork participated in consultations and supported the provincial government decision to include Eurasian wild boars as an invasive species under Invasive Species Act, 2015. While the Eurasian wild boar production is low in the province, Ontario Pork is calling on the Ministry of Natural Resources and Forestry (MNRF) to provide compensation or buyout options for Ontario farmers required to shut down Eurasian wild boar production under proposed changes.

RESOLUTION 12 – Government relations

FOR Debate

Whereas trade uncertainties and disputes impact prices and competitiveness of pork producers in Ontario;

Therefore be it resolved that Ontario Pork with the Canadian Pork Council look into the cost of developing a lobbyist position at the federal level for representation of hog farmers

Submitted by Huron and Perth Pork Producers' Associations

RESPONSE:

The Canadian Pork Council (CPC) has been using the services of a government relations consultant for the past 15 months to assist with CPC's advocacy efforts. The firm worked with CPC during the early stages of the COVID pandemic to advocate for support for producers impacted by COVID, improvements to AgriStability, budget ask and recently, preparation for the upcoming federal election.

RESOLUTION 13 – Trade

FOR Debate

Whereas the presence of trade wars is hindering our Canadian pork prices and where we feel we are being priced by politics rather than market values and in most cases even well below break evens;

Therefore be it resolved that Ontario Pork seek information to address the trade issue and continue discussions with government to create suitable programs and relief for farmers going forward.

Submitted by the Lambton Pork Producers' Association

RESPONSE:

As Ontario's pork producers operate in the export-dependent sector, industry's ability to access global markets remains one of the fundamental priorities for Ontario Pork. Since

the start of the COVID-19 outbreak, supply disruption has led to a variable trading environment adding to other factors outside of the industry control. In collaboration with CPC, Ontario Pork has been advocating for competitive access to markets and further developing trade with Asian regions as well as farm stabilization programs including the provincial Risk Management Program (RMP) and improvements to AgriStability.

RESOLUTION 14 – CAP program

FOR Debate

Whereas biosecurity is a necessity in any commodity group, and new and existing diseases continue to be threat to Ontario Pork Producers and the Ontario pork market; and

Whereas biosecurity continues to be a fluid and advancing initiative; and

Whereas any animal health improvement initiative should be supported; and

Whereas Ontario Pork Producers have not been included in the funding provided by the CAP program administered by Ontario Soils and Crops;

Therefore be it resolved that Ontario Pork continues to lobby our government, OMAFRA and Ontario Soils and Crops for Ontario Pork Producers to be able to successfully apply to the CAP program.

Submitted by the Lambton Pork Producers' Association

RESPONSE:

Federal, provincial and territorial governments have commenced development of the Next Policy Framework, a successor to the current Canadian Agricultural Partnership agreement. Using input provided by its Risk Management Advisory Group and Sustainability Advisory Group, Ontario Pork has been participating in the government consultations advocating for business risk management and non-business risk management tools needed by the pork sector. The Next Policy Framework will launch on April 1, 2023.

RESOLUTION 15 – Electronic documents

FOR Debate

Whereas the new livestock trucking rules require additional documentation to go along with each shipment of hogs; and

Whereas such a document could be done electronically and possibly even incorporated into AgManifest, making a more stream lined and simple process;

Therefore be it resolved that Ontario Pork petition CFIA to make the requirement to allow electronic documents

Submitted by the Middlesex Pork Producers' Association

RESPONSE:

Ontario Pork, working in collaboration with CPC, Alberta and Quebec provincial pork organizations, have been given a further extension until July 30 2022 to trial the use of AgManifest and digital signature acceptance for both the Annex 14 and the Record of Livestock Movement (RLM). These two documents require a signature and now can be digitally signed by the producer, transporter, processor, and an assembly yard (if applicable).

AgManifest management systems upgrades are completed and currently being piloted with very positive feedback from all users. The phone application development is now in process with a focus on user ease and functionality; training is expected to commence in early September 2021.

RESOLUTION 16 – Environmental stewardship

FOR Debate

Whereas a large portion of our promotion dollars go towards promoting pork; and

Whereas the processors should be heavily invested in this promotion as we producers supply pigs, not pork; and

Whereas producers are always being looked at as environmental risks;

Therefore be it resolved that Ontario Pork direct some promotion/research towards the economics of how producers are reducing their carbon footprint and quantify the value of environmental benefits.

Submitted by the Simcoe/York Pork Producers' Association

RESPONSE:

Recognizing the importance of addressing climate change, the Board of Directors decided to include solutions to reduce the pork industry carbon footprint as a research priority in its call for proposals. The Sustainability Advisory Group was tasked with identifying areas of research specific to the current and potential impacts of climate change on agriculture and pork producers, as well as key areas of adaptation to meet government goals, requirements and timelines. Ontario Pork will seek further input from delegates at the Policy Day later this year.

RESOLUTION 17 – Research priorities

FOR Debate

Whereas 10 cents of each check-off dollar to Ontario Pork goes towards research; and

Whereas the research sometimes leans more towards proposals brought forward by researchers themselves; and

Whereas a more targeted approach by producer driven research priorities would potentially show a return on investment at the primary producer level;

Therefore be it resolved that Ontario Pork strive to have calls for proposals be more targeted to directives than to researchers' requests.

Submitted by the Simcoe/York Producers' Association

RESPONSE:

The Board of Directors tasked Ontario Pork's advisory groups and committees with identifying areas for research to focus on the specific areas necessary for the industry advancement. Ontario Pork is committed to investments in research that will ensure long-term success for the pork industry. A call for research projects is put out annually, and applications are rigorously reviewed and selected by the Research Committee.

RESOLUTION 18 – Ear tags

FOR Debate

Whereas ear tags are mandatory in some circumstances under the Pig Trace Program; and

Whereas Allflex is currently the only provider, and the cost per tag is increasing and already high; and

Whereas more than one option would be beneficial to producers and may help the cost;

Therefore be it resolved that Ontario Pork work with CPC to research and source alternatives to the Allflex ear tags.

Submitted by the Lambton Pork Producers' Association

RESPONSE:

Ontario Pork made a request for CPC to examine the process of adding alternate manufacturers of ear tag identifiers. To add a new supplier, CPC would be required to go through rigorous approval process by the Canadian Food Inspection Agency (CFIA) and complex procedures to manage tag transfers and sequential numbering. Pricing is set by CPC (PigTrace) to ensure the program is self-sustaining.