



February 19, 2021

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Submitted by e-mail: [budget2021@canada.ca](mailto:budget2021@canada.ca)

Dear Ministers,

**Subject: Ontario Pork - Federal Budget Consultation Submission**

Ontario Pork welcomes the opportunity to participate in the Federal Government's 2021 budget consultation. We understand that your focus is to continue to help Canada and Canadians to an economic recovery from COVID-19.

Ontario Pork is the voice of the province's 1,143 pork farmers, and a leader in the agriculture industry. Led by producers, Ontario Pork is committed to sustainable growth in the pork sector, delivering government representation, research investment, and industry improvements in areas including animal care and environmental sustainability, while growing the brand and reputation of producers and their product. Ontario's pork sector represents a significant part of the Canadian economy, combining - from "farm to fork" - \$1 billion in GDP, over 15,300 full time jobs and over \$2.7 million in economic output.

Ontario Pork's submission focuses on three key areas:

- **Federal government investment to prevent and, if necessary, respond to an ASF outbreak in Ontario and across the country,**
- **That the federal government collect and publish a mandatory wholesale pork price report on a daily or weekly basis in a manner similar to the US Department of Agriculture (USDA), and**
- **An increase in the AgriStability payment trigger to 85% from 70%.**

## **African swine fever**

As Canadians continue to be deeply impacted by COVID-19, pork producers continue to address a pandemic of their own; the African swine fever (ASF). The detection of ASF would be devastating for Ontario's and Canada's farm families and the over 100,000 jobs across the country that depend on the success of the pork sector.

**We also support the position of the Canadian Pork Council (CPC), our national organization, in urging the government to use Budget 2021 to invest in the preparation, planning and prevention of ASF.**

### **What is African swine fever?**

African swine fever is a viral pandemic that is impacting pork producers around the world. ASF is an infectious disease impacting swine herds and wild boar populations. While it is not transmittable to humans, it results in high mortality in pigs. A detection in Ontario, and/or any part of the country, would instantaneously result in the closure of Canada's export markets for pork.

### **Potential Impact for Ontario and Canadian Pork Producers**

Should an ASF outbreak occur in Ontario, or in any part of Canada, the economic crisis could be far worse than that resulting from Canada's outbreak of bovine spongiform encephalopathy – mad cow disease. The cost of responding to and recovering from an ASF outbreak would be measured in billions of dollars. Borders would be instantaneously closed, and the pork supply chain would collapse. It would take years for the sector to recover from the bankruptcy of thousands of family farms and the loss of tens of thousands of jobs.

### **Recommendation 1:**

**Ontario Pork is recommending that the Government of Canada invest \$50 million over three years to accelerate the implementation of the Pan-Canadian ASF Action Plan that was supported by Federal-Provincial-Territorial Ministers of Agriculture at their November 20, 2020 meeting.**

These funds would allow the government and the industry to collaboratively address the priorities detailed in the Pan-Canadian ASF Action Plan. The \$50 million investment will lower the risk of a widespread ASF outbreak and ultimately reduce the cost of a response plan.

These results will be achieved by:

- Incenting further producer investment in improved on-farm biosecurity,
- Increasing communication with small lot producers to elevate their understanding of the role they play in ensuring the biosecurity of the Canadian herd,
- Developing and implementing software/hardware solutions to encourage more rapid reporting of swine traceability data,
- Utilizing the traceability data to model disease spread and identify high risk supply chains,
- Eliminating wild pigs in Canada, and
- Undertaking research to develop improved disease surveillance tools, and alternative methods of humane destruction and environmentally appropriate disposal of surplus carcasses.

Ontario Pork strongly believes that a commitment in Budget 2021 will send a clear message to producers that the government is committed to working in collaboration to put the plan into action.

**Recommendation 2:**

**Ontario Pork recommends that the Government of Canada mandate Agriculture and Agri-Food officials to work collaboratively with their provincial counterparts and industry partners to develop the policies and programs that will be required should there be a Canadian outbreak of ASF.** The impact of the existing Hog Supply Response Working Group has been limited due to a reluctance of federal officials to engage producers in a transparent and collaborative manner.

The pork supply chain needs a clear and detailed response and recovery framework for Canada. The full commitment of the Government of Canada of the expertise, knowledge and analytical skills of its officials is paramount to successfully creating an effective and efficient response and recovery approach.

**Recommendation 3:**

**Ontario Pork strongly encourages the government to call for the Standing Committee on Agriculture and Agri-Food to conduct an in-depth study on ASF preparedness and planning in Canada.**

The meetings held in May 2019 demonstrated a clear gap in the understanding of what ASF is and how Canada can better prepare and plan for a potential outbreak. A second review would allow for an assessment of the progress made to date and identify opportunities to further advance the file.

The preparation of a prevention and response plan will not eliminate the risk of an outbreak of ASF in Canada. However, the costs associated with an outbreak can be greatly reduced if we prepare accordingly and collaboratively. By being proactive, we can develop less costly responses that quickly return the industry to its position as an important part of Canada's economy and food security. The COVID-19 crisis has shown us that developing programs in a time of crisis is possible, but not advisable.

**Mandatory Daily Wholesale Pork Price Reporting**

**Ontario Pork encourages the government to collect and publish a mandatory wholesale pork price report on a daily or weekly basis in a manner similar to the US Department of Agriculture (USDA).**

Canadian pork producers are reliant on data published by the USDA to establish prices. In the event of an ASF outbreak in Canada or in the US, prices in the US will not be a reliable indicator of the value of Canadian pork. Having a robust pricing series will be essential to dealing with the chaos caused by any border closure.

Price transparency is essential to our industry even in more normal times. Over the past four years we have seen estimated packer margins substantially increase while many farms are struggling to stay in business. A reliable Canadian wholesale pork price is an important tool to help farmers negotiate a fair value for their animals.

The cost to government of this proposal is limited to staffing costs and would not involve any direct outlay of funds to producers.

## **AgriStability**

**Ontario Pork recommends that the government increase the AgriStability payment trigger to 85% from 70%** in order to protect the viability of pork family farms, so that farmers continue to bring high quality pork to consumers.

We are pleased that the federal government has proposed a solution to fix AgriStability, but disappointed a consensus was not reached at the recent Federal Provincial Territorial (FPT) meeting. The lack of a consensus is especially troubling given the unprecedented volatility and risk that pork producers face due to COVID-19, its impact on consumers and the economy, and ongoing challenges in international markets.

The financial constraints of some provinces must not prevent the needed changes from coming into effect. The federal government should consider (1) providing matching funds for AgriStability enhancements for those provinces that can participate or (2) increasing the federal government's percentage of the cost share for AgriStability enhancements.

We thank you for your consideration of our budget requests and would be pleased to provide you with further information as required.

Sincerely,



Eric Schwindt  
Board Chair