

The Hog at a Crossroads

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Change is a reality in today's hog industry. How can Canadian pork producers shape that change to benefit themselves?

■ Massive change

The world hog industry has experienced a roller-coaster of change over the past decade, with prices reaching both record highs and lows, with environmental controversies involving hog operations making front page news, with quality concerns forcing a flight away from the consumption of pork. On top of that, the industry make-up itself has changed, as the small operator migrates out of the sector in the face of competitive challenges from the internationals.

This complex and dynamic industry continues to evolve, with its eventual structure still unknown at this time. But the impossibility of forecasting the future should not prohibit us from taking action now to encourage outcomes, which will facilitate a stronger, more profitable Canadian industry.

In global terms, pork remains the meat of choice for the majority of consumers. As demand for pork increases around the world, trade barriers and tariffs continue to be reduced, opening the door for countries that have low production costs and a high quality product. At the same time, the move to large-scale, vertically integrated supply chains and the universal availability of genetic technology have dramatically altered the way the industry operates and competes. Combine those changes with the reality that traditionally strong exporters in Europe are reaching their expansion limit due to tough environmental and animal welfare constraints, and it becomes obvious that the entire global industry is in the midst of a realignment process.

So can the Canadian pork industry benefit from this restructuring? Yes, it can – but there are changes that need to be undertaken to ensure the industry can seize its opportunities.

As we all know, and as has been recently and resoundingly confirmed by the latest Stats Canada release on Canada's population growth, this country has become increasingly urban. With that urbanization has come a disturbing phenomenon – the distancing of most of the population from the issues of the agriculture and agri-foods industries, both vital economic sectors and even more importantly, both vital to ongoing welfare and health of this society. Worse than disinterest, that lack of familiarity can also breed distrust. That is an issue of great concern for everyone involved in any aspect of agriculture, whether from the academic community, a government body, or the agri-foods industry itself. There are significant impacts for this sector if your communities do not sufficiently value what you provide to them or trust that your interests are aligned with theirs. Such impacts include:

- Heightened regulatory controls
- Decreasing government support
- Decreased access to patient, risk-oriented capital
- Increased scrutiny of agricultural practices
- Community resistance to expansion and development
- More challenges in recruiting the next generation of agricultural workers
- Negative consumer response to your products

These challenges are not insurmountable. This session will discuss what actions the pork industry can take to shape government and public opinion.

The Canadian hog industry is at a challenging juncture. It exists in a more globally competitive environment, with a more sophisticated and fickle customer base. Technology is changing the way you do business, but that technology is viewed with suspicion by some of your customers. The demand for your products has never been greater, but the pressure to reduce costs is escalating even more rapidly. Those issues are also all opportunities. The entrepreneurial spirit which permeates this industry should gladden at the idea of a larger, more diverse marketplace in which to sell its quality wares. But you need to start at home. Your broader community needs to know that you are capable of competing and winning the battle for this marketplace. They need to understand that it is important to them that you do so. It is up to you to win their support, by winning their hearts and their minds.