



Standing Committee on Agriculture and Forestry of the Senate of Canada

March 15, 2016

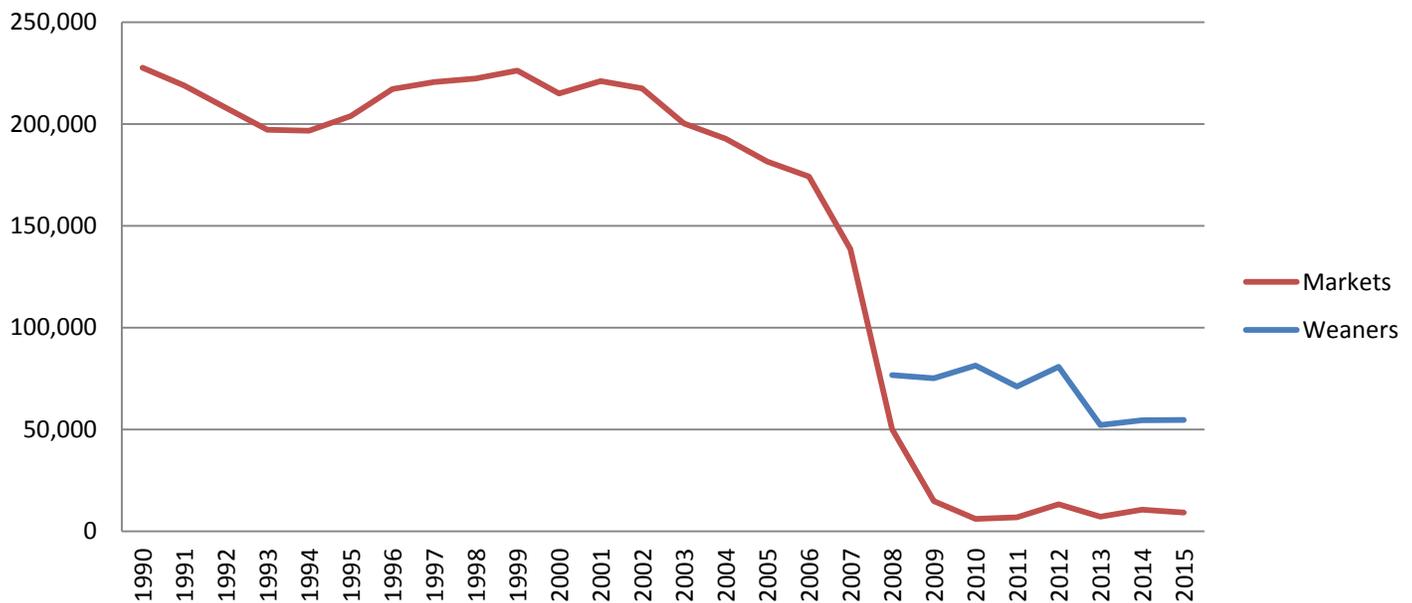
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Nova Scotia Industry Overview

Pork Nova Scotia's mandate is to carry out the purchase and sale of hogs in the province as well as to maintain a sustainable hog industry and favorable environment for the production of pork in Nova Scotia. To fulfill this mandate PNS organizes inter-provincial hog sales, works with all stakeholders to promote the production and consumption of local pork as well as works with industry specialists to deliver industry programs related hog production.

There was a dramatic decline in the Provincial pork industry between 2002 and 2009, with the largest reduction happening between 2006 and 2009 when 160,000 market hogs (92%) left the production system; however in 2008, more than 75,000 entered the system. During this shift, the net loss in production was limited to less than 50,000 (27%) marketable animals. There was another industry shift in 2013 which saw another 30,000 weaners leave the system (Figure #1).

Figure #1: Nova Scotia Hog Marketings 1990 to 2015



The production and marketing of hogs in Nova Scotia is concentrated, there are approximately 26 commercial hog producers who produce more than 97% of marketable animals. The concentration is even more noticeable when you consider that there are 3 producers who market 98% of weaners and 8 producers who market 93% of the market hogs.

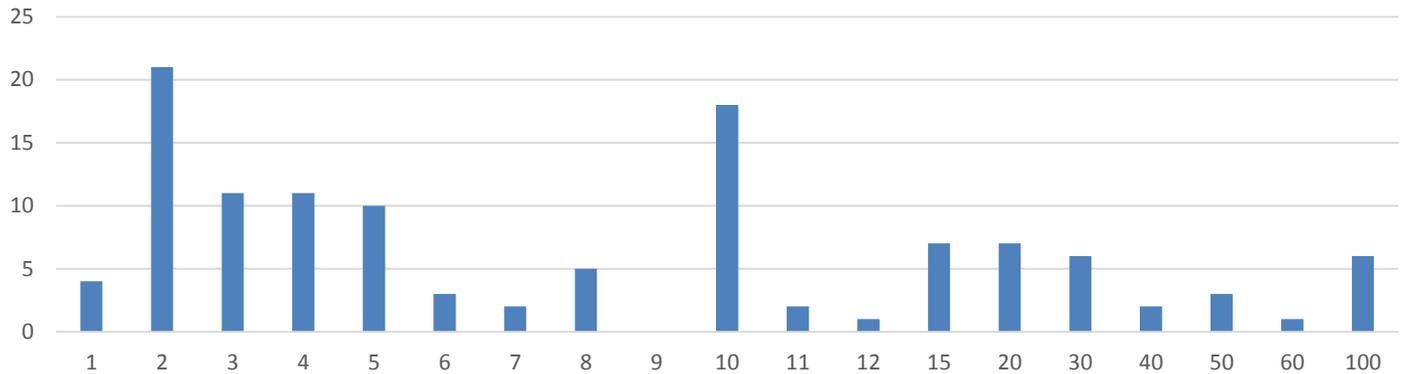
Table #1: 2015 Producers and Hog Production

	Producers	Weaner Hogs	Market Hogs
Total	176	56,000	12,000
Non-commercial	150	1,000	1,200
Commercial	26	55,000	10,800

PigTrace- National Pig Traceability

The pork industry is the first in Canada to implement full traceability of animals. PigTrace regulations came into effect on July 1, 2014. Over the past year, Pork Nova Scotia has identified more than 200 stakeholders in Nova Scotia which produce, market or process hogs. The majority of Nova Scotia stakeholders' producer fewer than ten pigs per year.

Figure #3: 2015 Pig Tag Sales (Quantity) Frequency



Regulatory Environment

Pork Nova Scotia has supported the Canadian Pork Council's application to the Farm Products Council of Canada to establish the Canadian Pork Research, Market Development and Promotion Agency. The establishment of this Agency will allow the CPC to collect an import levy on animals and carcass equivalents imported into to Canada. This is an important step as other jurisdictions have been collecting a levy on imported Canadian pork for several years.

Swine Health and Biosecurity

Over the past decade the pork industry has been faced with many new diseases which threaten production. Many of these diseases are spread rapidly and can have disastrous impacts on individuals and the industry. For the most part, the Nova Scotia industry, has avoided any major impact from these disease.

Commercial producers participate in herd health programs as well as received biosecurity training from the Canadian Swine Health Board. Most recently the North American industry has been faced with Porcine epidemic Diarrhea (PEDv), hogs in our region have no natural immunity to this virus and there aren't any proven treatments.

As an industry we work closely with swine extension specialist and swine veterinarians to ensure that producers are aware of and follow biosecurity standards as laid out by the Canadian Pork Council.

Slaughter and Processing

Pork Nova Scotia has identified slaughter and processing capacity as a significant industry issue. There are several factors that contribute to slaughter capacity including geography, season, scheduling and communication. Even within slaughter and processing activity factors like chilling and hanging times contribute to capacity issues.

Since 2010 there has been a dramatic change in slaughter and processing capacity in Nova Scotia. Major loss in capacity occurred with the closure of Larsen's and Tony's in 2011 and 2013 respectively. At the peak of their production, these facility slaughtered between 3,000 and 3,500 hogs per week. During the same time period there have been seven provincially inspected red meat abattoirs which have closed while there are only two newly opened abattoirs.

According to the Nova Scotia Department of Agriculture there are currently eleven abattoirs which are licensed for red meat.

Some Provincial slaughter facilities are aging and require significant upgrades including carcass chilling and storage cooler space. Slaughterhouses are scattered across the province and there is no single facility which can handle numbers if one of the others close.

The lack of slaughter and processing capacity within the province, especially as it relates to geography and seasonal demands, limits producers' ability to market animals. For many producers the cost of transportation

There are a number of 'backyard' slaughterhouses across the province which have an unfair advantage over inspected facilities because, in many cases, they do not operate within the same requirements as inspected facilities

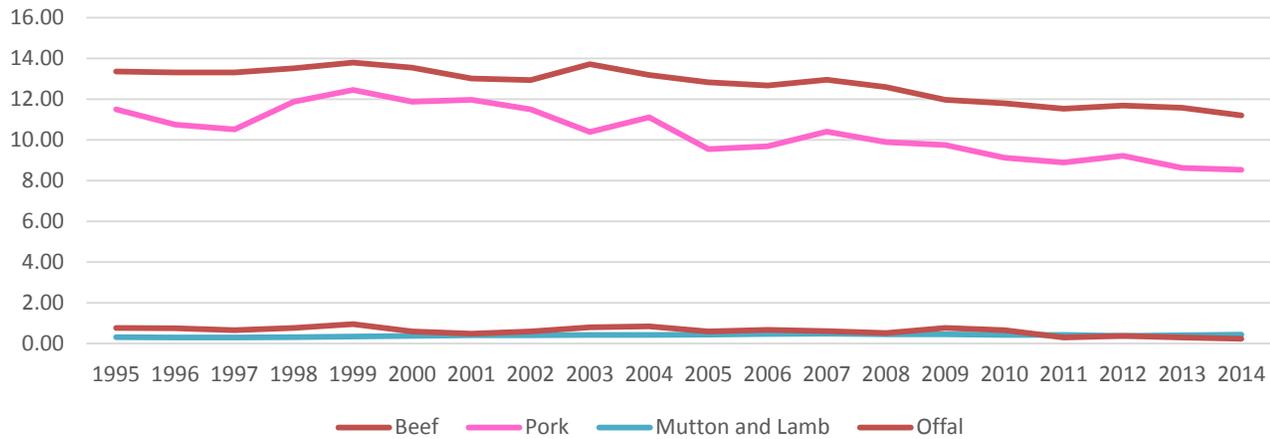
Pork Nova Scotia commissioned a feasibility study to examine the potential of a federally inspected slaughter and processing facility in Nova Scotia. The study conducted by the Sobeys School of Business at St. Mary's University examined the following points: Market analysis; Single vs multi-species; breakeven analysis; Slaughter only vs slaughter and processing; Ownership model; and Economic impact analysis.

Sales and Marketing

Like other red meats, pork consumption has declined steadily over the past 10 to 12 years. To counteract this, Pork Nova Scotia has spent the past three years developing the Premium Nova Scotia Pork Brand which aims to provide local product to local consumers. The brand focuses on high quality pork products which produced and processed under strict guidelines including:

- Canadian Quality Assurance, Animal Care Assessment , Biosecurity, Herd Health, Environmental Farm Plan
- Nova Scotia born, raised and process hogs
- Maritime grains, no animal by-products, no therapeutic antibiotics, no growth hormones

Figure #2: Canadian Red Meat Consumption 1995 to 2014 (Statistics Canada)



Industry Development

Pork Nova Scotia has identified three areas which we believe will further develop the industry- primary production, slaughter and processing as well as marketing and promotion. Pork Nova Scotia has partnered industry specialists as well as well a team of consultants to develop and industry development plan. The objective of this project is to provide hog producers with an understanding of the sector in Nova Scotia, outline opportunities for sales and marketing as well as develop tools, such as factsheets, related to the identified industry challenges. The ultimate goal of this initiative is to get “More Local Pork to More Local People.”

More specifically, the business development plan will look at the establishment of a federally inspect hog slaughter and processing facility to allow for producers to access local, regional, national and international markets. Nova Scotia has several advantages to accessing many of these markets including production practices, herd health status and transportation.

The Port of Halifax has many advantages- it is ice free, on several major shipping routes and offers Less than a Container Load (LCL) services for fresh and frozen products. From Halifax, pork products can be shipped directly to Markets in the United States, Caribbean, Europe and Asia.