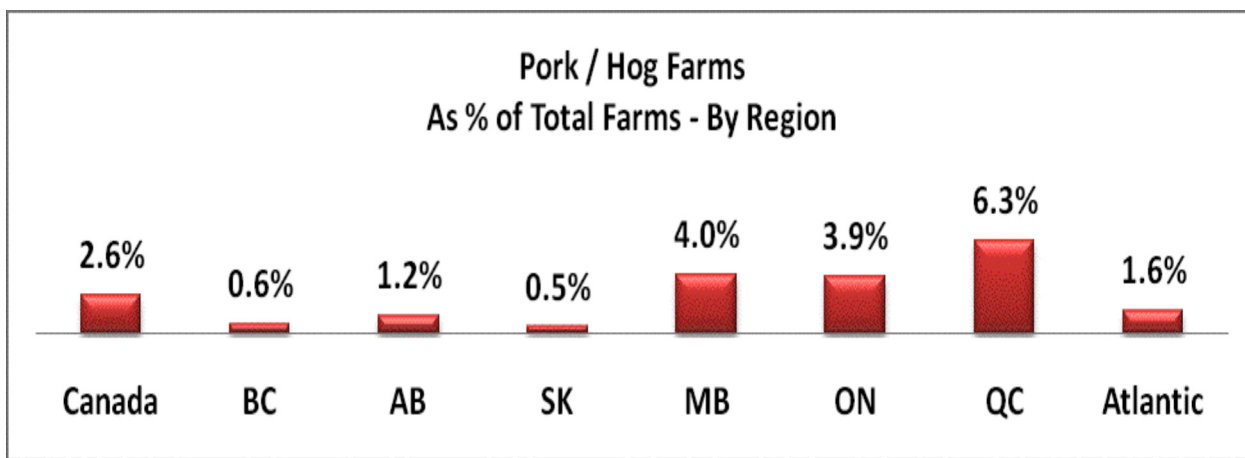




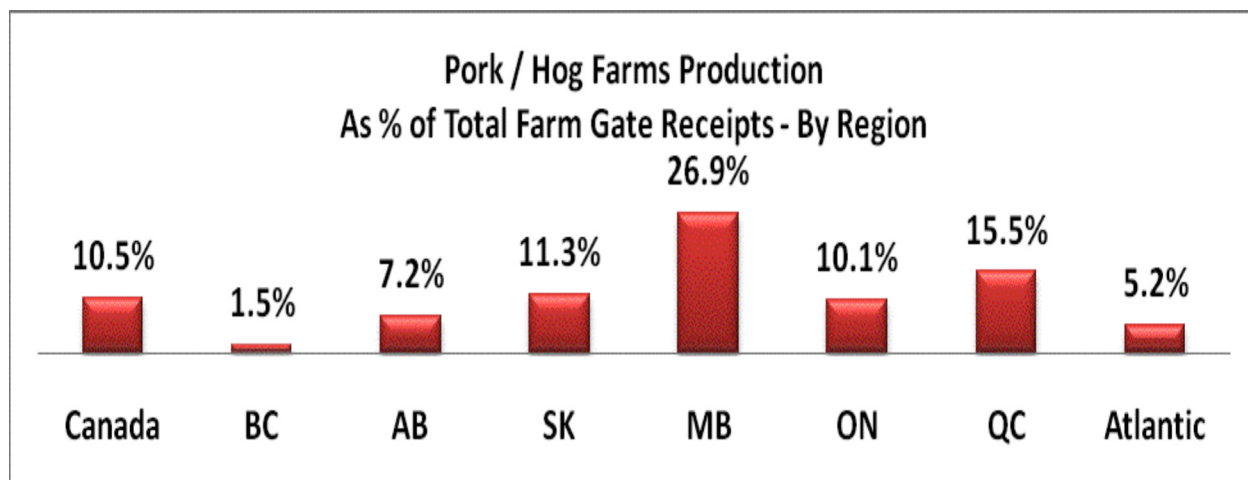
Canada's pork sector is a significant and vital part of Canada's agriculture and agri-food industry. The sector includes primary producers as well as value added processors - the industry is active in every Canadian Province.

On a global basis, pork is one of the fastest growing markets – with consumption increasing significantly in a great many countries. Canadian pork is well regarded in the international marketplace, with major exports destined for over 90 countries.

Canada has over 6,000 pork producers or approximately 2.6% of total farms. As shown in the graph below, the industry is active in every Province of Canada with the highest concentration of pork farms found in Manitoba, Ontario and Quebec.



Despite their relatively small numbers, pork producers make a significant contribution to Canada's farm gate receipts. In 2006, farm gate receipts from pork producers accounted for over \$3.4 billion – or approximately 10.5% - of Canada's overall total of \$32.4 billion. Regionally, pork production constitutes a significant portion of farm gate receipts in both Manitoba and Quebec.



The total farm gate receipts, combined with the value added components of the industry, bring the sector's overall economic contribution to roughly \$10 billion annually.

On an international stage, Canada is a major exporter of pork products; ranging from the primary commodity through to fully processed products.

The total value of exports, for all pork products, has been estimated at \$2.4 billion for 2007.

In 2007, CAFTA commissioned an analysis of the potential benefits that would flow to Canada's export sectors through a WTO agreement. The analysis looked at seven primary commodities – including primary cuts of pork.

The analysis was based on a 2003 – 2005 average export level of \$1.227 billion annually. The impact of tariff reductions and trade liberalization were assessed to determine the potential increases in export values.

The analysis suggests that exports of pork, as a primary commodity, would increase by as much as 26% rising to an annual level of over \$3.205 billion. This increase is made up by a potential volume increase of 7% and a price increase of approximately 17%.

Canada's pork sector has the capacity and capability to meet this demand – but to realize these benefits, changes in the international trading environment are necessary.

Canadian pork faces major challenges in maintaining market access parity with producers from the United States and Chile. Improving access to key value and emerging markets, such as the European Union, China and Latin America will be critical to the future success of the industry.

Most recently, the industry has been facing a major crisis as a result, in part, of rising input costs and the impact of a high Canadian dollar.

Securing an ambitious WTO agreement will help ensure Canada's pork industry maintains its world class standing.

The time for action is now.