



**BANFF PORK**  
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## ***news release***

4-10 Agriculture Forestry Centre, University of Alberta  
Edmonton, Alberta T6G 2P5  
Phone: 780 492-3651 Fax: 780 492-5771  
Email: info@banffpork.ca Web: www.banffpork.ca

*For Immediate Release:*

### **North American pork industries seek roadmap for export competitiveness**

**Banff, Alta., January 23, 2009.** If the Canadian pork industry wants to know where the U.S. pork industry is going, watch the U.S. dollar and the energy market, says a leading pork industry economist who spoke at the Banff Pork Seminar, a leading seminar for the pork industry held annually in Banff, Alberta.

Although the U.S. pork industry is in a precarious position, Dermot Hayes, a professor of economics and finance with Iowa State University, says a weakening dollar will help offset this from a trade perspective. "My sense is the U.S. dollar will continue to fall even once we're out of the current economic crisis because the U.S. still has a balance of trade problem," he says. "This should continue to give a small competitive advantage to the U.S. pork industry."

Despite setbacks, the ethanol market will continue to be a decisive factor in the price of feedgrains for both the Canadian and U.S. pork industries, says Hayes, with the Obama administration supporting the ethanol industry as part of its pursuit of energy independence. Also, despite some industry failures, Hayes says existing ethanol production capacity will be used to produce ethanol, driving up the cost of feedgrains in the process.

The ability of the U.S. to continue to sell pork to China, a market that has opened up in recent months due largely to natural disaster, disease and pre-Olympic scarcity, will depend on whether or not the Chinese government allows market forces to operate, says Hayes. "As labour shortages emerge in China, fewer farm families will be willing to produce backyard pigs, a sector that currently produces about half of all the pork produced in China," he says.

"If China responds to this problem by allowing a continuation of imports, then U.S. pork producers might dodge the bullet and export their way out of the problem of increased production. However, if China decides to restrict pork imports despite these economic forces, the U.S. pork industry will need to cut its sow numbers by about three percent."

*...Banff Pork Seminar – Roadmap - continued*

Meanwhile, the Canadian pork industry will need to “put skin in the game” by setting up more integrated systems of producing, processing and marketing pork if it is to compete with the U.S. and other pork industries, says Jerry Bouma with Toma & Bouma Management Consultants in Edmonton and lead architect of the Alberta Pork Revitalization Strategy.

With consumer concern over how food is produced and who’s producing it at an all-time high, the time for the Canadian pork industry to position Canadian pork as the premium product in the marketplace is now, says Bouma. The challenge, he says, is how the industry is presently organized.

“Canada has a good team with good players, but it takes more than good players to make a winning team. It takes a system with a single vision of objectives and execution among all the players in the value chain. We need a system that links producers and processors together.”

Key to this vision is changing how consumers experience pork, particularly fresh pork. Right now, says Bouma, consumers find it difficult to tell Canadian from U.S. pork. This challenge demands an ongoing emphasis on branding efforts. “There’s a lot of branding going on right now but we need to go further. We need to take the ball over the line.”

Held since 1972 in Banff, Alberta, the Banff Pork Seminar is coordinated by the Department of Agricultural, Food and Nutritional Science, University of Alberta, in cooperation with Alberta Pork, Alberta Agriculture and Rural Development and other pork industry representatives from across Canada.

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For media assistance **from Jan. 20-23**, contact:  
Jodi Hesse, Director of Policy and Communications  
Alberta Pork  
Phone: (780) 446-0571

For media assistance **after Jan. 23**, contact:  
Ruth Ball, Conference Coordinator  
Banff Pork Seminar  
Phone: (780) 492-3651  
Web site: [www.banffpork.ca](http://www.banffpork.ca)

**Media note.** For news releases and photos from the Banff Pork Seminar, please visit the ‘Banff Pork Seminar Special Meeting Report’ at [www.meristem.com](http://www.meristem.com).