



# CHAIRMAN'S REPORT

Dear Fellow Producers,

As I reflect on another year in the pork industry, I have to conclude that the positives have outweighed the negatives. During the past year we have enjoyed a very positive cash flow and many operations are reporting margins that have not been seen for years. Fairly cheap feed costs and a steady market have contributed to this banner year and it feels good to see our industry climb out of the economic quicksand that was pulling so many under.

It was also gratifying to win the trade action that was initiated a year earlier by the National Pork Producers Council (NPPC) in the U.S. Not only did we win, but the five to nothing ruling vote by the International Trade Commission panel was a bonus. Hopefully this resounding defeat will deter similar actions coming from the U.S. - for at least a few years. This win was of course tempered by the fact that it cost Canadian pork producers (collectively) about \$12 million in legal and public relations fees to end up with that positive result. Also, a number of producers had to accept a discounted price for their hogs because of the duty. However, the victory was a big positive when one contemplates what the alternative might have been if the trade action had carried on into the future.



Jack Moerman

I believe we live in the best province in Canada for potential growth in the livestock industry. We have a huge land base and a relatively small people population. When considering rural

re-vitalization objectives, a natural fit is the positives that our industry has to offer. If we can overcome unfounded negative stigmas that some opponents lay on new and expanding operations, and, if the Natural Resources Conservation Board (NRCB) more clearly understands its mandate as administering a legislative framework to encourage sustainable growth of the livestock industry in an environmentally safe manner, I believe that Alberta has a tremendous potential to increase pork production and processing. I am optimistic that an NRCB administrative review (by George Cuff and Associates) commissioned by our Alberta Government will bring positive changes in the process and requirements of producers acquiring development permits. As well, the legislative

review of the Agricultural Operation Practices Act, requested by Agriculture Minister Honourable Doug Horner, should benefit the livestock industry.

I was also pleased to see hogs added to the Alberta Feeder Association Guarantee Act. This was a major accomplishment since historically this was primarily the domain of the cattle industry. Congratulations to both Directors Don Erno and Phil Mueller for this achievement and the extra effort put forth to make this happen. The Alberta Hog Feeder Association is up and running and we anticipate this initiative to be a financial help to many producers.



Another major endeavour by Alberta Pork is in the area of hog identification (ID) and traceability. Director Dennis McKerracher (Alberta Pork Vice Chairman) has become the chairman of the National ID and Traceability Committee which is developing a system for our industry in Canada. It is a huge undertaking. I am also chairing a national Emergency Management Committee that is looking at what is required and who is responsible for what in the event of an industry emergency. To assist these necessary national efforts, Alberta Pork is in the process of re-registering all producers, all hog premises and identifiers, such as tattoos. Foreign animal disease is not a nice prospect but we need to be prepared so as to mitigate the negative consequences. With more than 50 percent of Canadian pork production exported, we hope that efforts of ID and Traceability as well as another initiative to zone Canada into two parts will result in keeping some or all of our borders open - even in the worst case scenarios.

Our industry has a number of other challenges (and new ones crop up when old ones disappear). Some of the emerging issues as I see them are:

- The shortage of pork industry labour
- Succession of the family farms (financial requirements) as the average age of producers gets older
- Having fewer and fewer producers to choose from to deal with industry issues
- Various trade barriers and market access impeding our pork exports.

Even though these challenges may be significant, I have always been impressed with the way our industry adapts and deals with the various curve balls that come our way.

As my term as Chairman concludes in December, I want to express my thanks to the many great people, including board members, delegates, producers and Alberta Pork staff that I have had the privilege to work with. The six years that I have been on the board have gone by very quickly. After the elections in November, (and here is a little bit of encouragement for those who think they have something to offer the pork industry to run for director or delegate), I am sure there will be very capable people to replace those of us who will be retiring. This industry is all about people, and it's the people that have become friends that I will miss the most. Looking into the future, I hope each of you will have "love to share, health to spare and friends that care," and I hope you're successful in all of your endeavours.

Sincerely,



Jack Moerman  
Chairman

