

Alberta Pork COVID-19 telephone town hall summary

On April 23, 2020, Alberta Pork hosted a telephone town hall to outline the steps taken by our organization to support producers during the COVID-19 pandemic. [Listen to the recording](#) or read the summary below.

Introduction

Town hall hosts:

- **Brent Moen**, Chair, Alberta Pork
- **Darcy Fitzgerald**, Executive Director, Alberta Pork
- **Javier Bahamon**, Quality Assurance and Production Manager, Alberta Pork

Discussion topics:

- Work being done across the supply chain to protect our industry
- Alberta Pork support for your farms and families
- Requests for federal and provincial financial support

Work being done across the supply chain to protect our industry

- The food supply chain is an essential service, including farms, transportation, food processing, and grocery stores. All of these stakeholders are needed to maintain food security, health and well-being in our country. We all rely on agriculture and its works for our daily needs, just like we rely on the police, fire department, emergency medical services and hospitals. We cannot simply shut everything down.
- Physical distancing is one of the best measures we can all observe, and it starts with individuals at home. This measure must be put into place everywhere, not only in the work environment. However, in the case of essential workplaces, we need to work smart and follow the right protocols.
- Unfortunately, since late March of this year, several pork, beef and poultry plants in Canada and the U.S. have experienced temporary or indefinite shutdowns. Until now, the only Canadian shutdown impacting pork producers was one facility in Quebec that suspended operations for two weeks due to COVID-19. The closure caused a backlog of about 50,000 hogs raised in Quebec and Ontario. That plant has since opened and is running again. The level of safety for all workers has been and continues to be significantly heightened.
- The final decision on the worksite safety related to COVID-19 in our province lies with Alberta Health Services (AHS). Our pork processors in Alberta are working closely with AHS, Alberta Labour (Occupational Health and Safety branch, the Canadian Food Inspection Agency (CFIA), and Alberta Agriculture and Forestry to ensure workers are protected and operations at processing facilities can be maintained. Significant effort has been made to increase protective measures for these facilities, and the various government agencies have developed solid protocols to address any issues and are doing ongoing monitoring.

- Dr. Deena Hinshaw, Alberta’s Chief Medical Officer, and her staff decide if a facility is safe. She and her staff provide the credible opinion we need, and other external parties may be providing misinformation. The employees in the food supply chain are the most important consideration, and the right people are dealing with employee safety.
- The Government of Alberta has developed an agreement with the CFIA to ensure their inspectors can be supported by provincial food inspectors should a labour shortfall occur. This will help ensure that federal processing can be maintained.
- The Canadian Pork Council (CPC) and its partners, including Alberta Pork, have made the decision to postpone all full validations under the Canadian Quality Assurance (CQA) program in Alberta and the Canadian Pork Excellence (CPE) program elsewhere. Producers scheduled for full CQA validations may request an extension of up to three months. Delivery of partial validations (documentation review) will continue, as on-farm visits are not required for that portion of the validation.
- We are very grateful to all individuals supporting hog farms and ensuring food is on store shelves. Producers in all provinces have been asked to reach out to their elected officials to reiterate the importance of the food system and express their concerns for support.

Alberta Pork support for your farms and families

- As we all do our part in preventing infection and the spread of COVID-19, Alberta Pork’s board of directors and staff are committed to supporting producers and will provide the latest information available to ensure you are kept up to date.
- The Alberta Pork website includes a page dedicated to [COVID-19 resources for producers](#), including the latest industry updates. You can also access this page from our website’s [home page](#).
- We would also like to remind you of the importance of developing or updating your farm’s contingency plan. As you build or review your plan, consider the worst-case scenario. Please consider challenges such as a processing facility closure of up to 14 days, transportation barriers, farm worker illness, current labour needs, feed ingredient availability and barn space.
- As you work to implement changes on-farm to support physical distancing, keep in mind the biosecurity practices you use every day to ensure the health of pigs and staff.
- Alberta Pork staff have remote access to their work computers and are reachable by [email or phone by calling their normal office numbers](#). Office phones are being automatically redirected to cell phones.
- We recognize that everyone is under intense financial and social pressure. We want you to know that if you have questions, concerns or need help, you can reach out to us, and we will do our best to assist you however possible.

Requests for federal and provincial financial support

- We are living in an unprecedented time. With processing facilities either closing or cutting back in Canada and the U.S., pig supply backlogs and record-low margins are seriously threatening the ability for our industry to continue operating sustainably while providing food for Canadians and the world.
- Everyone in the value chain – from producers and their families to barn workers, transporters, suppliers, processors, retailers and government officials – is helping to keep the industry afloat. We know that everyone is doing everything in their power to comply with recommended public health measures to protect workers while also being mindful of business continuity.
- COVID-19 is disrupting supply chains, driving down prices more than a third since mid-March. The risk of a supply chain failure increases as the pandemic drags on. We are fortunate in western Canada that we have not yet had a major disruption to our processing capacity.
- It now costs more to feed and take care of a pig than the price farmers can get for the animal. Prices are very low right now, given the crash of the futures markets and loss of food service, and they do not look any better until at least October or November.
- The well-being of our producers, their families and employees is the top priority for Alberta Pork.
- Farmers are bearing most of the risk in this increasingly volatile market. This is on top of the increased volatility in global markets, the threat posed by African Swine Fever (ASF) and other challenges that have left hog farmers with no cushion to manage the current financial crisis.
- Time is of the essence in the pork industry. Unlike some other agricultural sectors, pork producers cannot simply sit idle while feeding animals, hoping for better prices. It is simply impossible from a production standpoint.
- The current cash crunch we are facing is affecting whether producers can pay their bills and is putting the financial viability of their farms at risk.
- Alberta Pork has sent a letter to Alberta Premier Jason Kenney asking for his government's support in establishing a targeted advance payment plan for producers in the amount of \$35 per hog, approximately \$40 million total, for the period May to October 2020. This advance would cover the estimated difference between projected gross price (\$150 per head) and anticipated cost of production (\$185 per head).
- Our motivation for taking this step is to provide the advance payment so that producers can remain financially viable through this difficult time.
- The Canadian Pork Council (CPC), working with provincial pork boards, has sent a letter to Marie-Claude Bibeau, Minister, Agriculture and Agri-Food Canada (AAFC), asking for an emergency AgriInvest deposit. In addition, CPC requested that the AgriStability trigger be increased to 85%, which would provide pork producers with increased financial protection. Under the terms of AgriStability, a cash advance can be available for producers.

- Through AgriInvest, the CPC is requesting the immediate deposit of 5% of a producer's 2018 Allowable Net Sales, to a maximum of \$100,000 per producer, as a short-term solution.
- We have asked the government to waive the requirement for a matching contribution and simply allow the producer to access the funds.
- We have also asked all producers to check their AgriInvest accounts to ensure they do not have any unused funds. When we ask for support, the first concern of any government is that we are already making use of the business risk management (BRM) tools currently available to us.
- Through AgriStability, the CPC has asked the trigger to be increased to 85% for the 2019-20 Program Year and the remainder of the Canadian Agricultural Partnership, as a longer-term solution.
- The CPC has asked the government to remove reference margin limiting and increase the maximum payment to \$5 million per producer.
- All changes to BRM programs must be approved by the federal and provincial governments, as they share the cost of these programs on a 60/40 basis.
- The CPC has also asked for an immediate advance of \$20 per head per producer across Canada. We do not know when this request will be answered, but we now have several requests before provincial and federal governments.
- You can help in this process as well by contacting your elected officials, including [your federal Member of Parliament](#) or [your provincial MLA](#) to express your concerns.

Q&A

1. *Does Alberta Pork have any other ongoing activities that provide support to producers?*

Some of the other things we are looking at include further enhancement to BRM programs. It is very wise for everyone to make use of any funds they currently have in these programs. As we go forward, we have provided feedback to government in terms of what we think can be improved. Between similar asks with our provincial and federal governments, we are always considering cost of production, but we are always encountering new hurdles. We communicate every day with provincial boards across the country and have plans to continue conversations regionally to see how we can align our actions. We hope our governments will work with us to improve the situation.

2. *Every week, Agriculture and Agri-Food Canada (AAFC) has a nation-wide phone call updating the situation. Is anyone from Alberta Pork participating in these calls?*

We are participating off and on. There are many calls every day, and we are trying to take as much as we can. There are many people on these calls, and it can be difficult to make our voices heard. We are trying hard to participate as much as possible. Our board directors are calling in whenever they can, but it can be a challenge.

3. *With AgriStability's 2020 program year, if a company has a year-end in the early part of the year, they will miss much of the time period when times get even tougher. Has there been any thought given to the upcoming year?*

We are looking at coverage from 2019 through to 2020 and into 2021 so we can facilitate the different year-ends of our corporate producers. Depending on your accounting, your payouts may differ, but we are trying to accommodate as best as possible. We are hoping we will see the futures markets return to normal by fall, but there is no guarantee.

4. *Has Alberta Pork reached out to processors for help? Several years ago, packers added deductions in a tight situation, but is there any possibility they can offer incentives for producers now?*

Formally, no, we have not reached out regarding incentives. We are focused on our government requests for the time being. In the past, we have discussed pricing and how that can be improved, but without offering too many specifics right now, yes, we are going to be asking packers about what else they can do to help. We have some ideas we want to float past them going forward.

Conclusion

Alberta Pork's [board of directors and staff](#) are here to support you during this difficult time. Do not hesitate to reach out if you have any further questions or concerns.

Because of your continued efforts as producers, Albertans, Canadians and consumers all over the world are able to eat today. Your efforts are not going unnoticed, even if it feels like they are.

Best of luck, stay safe and stay tuned for further information about our COVID-19 response.