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Report Highlights:

This report reviews developments in the Canadian cattle and pork sectors that will influence the production and trade of live animals, beef and pork through 2007.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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Executive Summary

THIS REPORT DOES NOT CONTAIN OFFICIAL USDA DATA

- * Canada's cattle industry is working its way out of the cattle backlog associated with the initial detection of BSE in Canada in May 2003 and is in a contraction phase
- * In addition to a significant inventory reduction, the cattle industry entered 2007 with the detection of its ninth BSE case in early February, prospects for lower cattle slaughter, weak beef exports and increasing beef imports.
- * Canada exported 1.0 million head of live cattle to the United States during 2006, almost double the year earlier level.
- * There has been speculation that USDA's proposed Minimum Risk Rule 2 would result in a flood of imports of older bovines from Canada, but post believes that there are several reasons why this is not expected to occur.
- * Canadian imports of beef and veal from the United States soared to a record \$414 million in 2006 reflecting strong demand from Canada's foodservice sector, lower Canadian beef production, and lower Canadian imports of offshore beef. For 2007, prospects appear to be favorable for further gains for U.S. beef in Canada.
- * Canadian hog farmers ushered in 2007 with fewer hogs on farms. There were 14.3 million hogs on farms as of January 1, 2007, 2.7% below the same date last year.
- * Profitability has been under pressure in the Canadian hog industry. Hog receipts were 13.6% lower than for 2005.
- * Pork production is forecast to be about 3% lower in 2007, reaching about 1.8 million metric tons. It will mark the third consecutive year of a pork production decline in Canada.
- * Canadian live hog exports to the United States reached a record 8.8 million head during 2006, 7% greater than a year earlier. For 2007, post forecasts Canadian live hog exports to the United States to reach about 9.2 million head representing another year-to-year increase of almost 5%.
- * There is a degree of uncertainty among Canadian hog producers surrounding the restructuring actions of Canada's major pork processors, Maple Leaf Foods, Inc., and Olymel and additional concern surrounding the upward pressure on feed prices related to the feedstock demands of the biofuel industry.
- * Per capita pork consumption in Canada has spiraled to its lowest level in more than a decade falling by almost 25% in the five years ending 2006.

Production; Cattle, Beef**Cattle**

Canada's cattle industry entered 2007 with a significant inventory reduction, the detection of its ninth BSE case in early February, prospects for lower cattle slaughter, weak beef exports, higher beef imports, weaker profitability prospects and hopeful expectation that the USDA proposed Minimum Risk Rule 2 (MRR2) will re-establish Canadian access to the U.S. market for older bovines and certain of their meat products.

Inventory Contraction

Statistics Canada data show Canada's national cattle herd continued to decline in 2006, falling by 515,000 head to 14.3 million head on January 1, 2007 down 3.5% from a year ago on that date. The beef-breeding herd is sharply lower, down 1/4 million head. There were fewer calves born in 2006, and more than 1.0 million head of cattle were exported live to the United States, mostly for slaughter. The inventory statistics confirm that Canada's cattle industry is in a contraction phase. Post expects this trend to continue and a further important inventory reduction is possible by year-end bringing down the total cattle inventory close to its pre-BSE level.

PSD Table

Country Commodity	Canada Animal Numbers, Cattle								
	2005			2006	Estimate		(1000 HEAD)(PERCENT)		Post
Market Year Begin	USDA Official	Revised Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
		01/2005	01/2005		01/2006	01/2006	2007	Forecast	01/2007
Total Cattle Beg. Stks	15063	15083	15063	14830	15200	14830	14400	14900	14315
Dairy Cows Beg. Stocks	1066	1066	1066	1049	1060	1049	1040	0	1040
Beef Cows Beg. Stocks	5297	5317	5297	5264	5200	5264	4950	0	5001
Production (Calf Crop)	5625	5800	5625	5300	5750	5514	5000	0	5300
Intra-EU Imports	0	0	0	0	0	0	0	0	0
Other Imports	21	22	21	40	25	37	25	0	10
Total Imports	21	22	21	40	25	37	25	0	10
Total Supply	20709	20905	20709	20170	20975	20381	19425	14900	19625
Intra EU Exports	0	0	0	0	0	0	0	0	0
Other Exports	559	550	559	975	900	1032	900	0	900
Total Exports	559	550	559	975	900	1032	900	0	900
Cow Slaughter	560	560	560	800	570	695	800	0	700
Calf Slaughter	375	375	356	350	360	325	350	0	335
Other Slaughter	3540	3495	3558	2835	3570	3135	2675	0	3015
Total Slaughter	4475	4430	4474	3985	4500	4155	3825	0	4050
Loss	845	725	846	810	675	879	800	0	800
Ending Inventories	14830	15200	14830	14400	14900	14315	13900	0	13875
Total Distribution	20709	20905	20709	20170	20975	20381	19425	0	19625

While the recent inventory data verifies that Canadian cattle industry is working its way out of the cattle backlog associated with the initial detection of BSE in Canada in May 2003 and is in a contraction phase, Post remains of the view that Canadian cattle marketing patterns may not necessarily return to their pre-BSE pattern. We continue to hold that the ability of

the Canadian cattle industry to recapture pre-BSE trade levels for beef and cattle will dictate the future size of Canada's cattle herd.

Beef Production

Last year marked the first full year the U.S. border has been open to Canadian cattle shipments since 2002. In 2006, Canadian live cattle exports to the U.S. slightly exceeded 1.0 million head, about double the previous year, but significantly below the 1.7 million head exported in 2002 (pre-BSE). Canada had exported no live cattle to the U.S. from late May 2003 to July 2005 reflecting U.S. BSE import control measures. As a result, slaughter levels hit record highs in Canada during 2004 and the first half of 2005. Since that time, Canadian slaughter levels have tapered off, partly because the border is open to live cattle but also due to a sharp fall in offshore demand for Canadian beef (see Trade Section). Statistics Canada reports that total Canadian cattle slaughter in 2006 reached 4.2 million head, down 7.1% from 2005.

Outlook Points to Lower Beef Production in 2007

The number of Canadian live slaughter cattle exported to the United States will heavily influence beef production in Canada during 2007. Although they have not yet returned to their pre-BSE level, Canadian live cattle exports exceeded 1.0 million head in 2006 and prospects for 2007 suggest they will be close to that level again during 2007. Should this occur, Canadian beef production will be lower than would have been the case had these cattle been slaughtered in Canada. At this juncture, post forecasts Canadian beef and veal output to reach about 1.4 million metric tons, down about 1.8% from the estimated 2006 level of 1.425 million metric tons.

PSD Table

Country Commodity	Canada								
	Meat, Beef and Veal								
Market Year Begin	2005	Revised	Post	2006	Estimate	Post	(1000 HEAD)	(1000 MT CWE)	(P
	USDA	Post	Estimate	USDA	Post	Estimate	USDA	Post	Estimate
	Official	Estimate	New	Official	Estimate	New	Official	Estimate	New
		01/2005	01/2005		01/2006	01/2006		01/2007	01/2007
Slaughter (Reference)	4475	4430	4475	3985	4500	4155	3825	0	4050
Beginning Stocks	42	42	42	41	40	41	44	40	45
Production	1523	1470	1523	1375	1490	1425	1335	0	1400
Intra-EU Imports	0	0	0	0	0	0	0	0	0
Other Imports	133	135	133	150	125	159	160	0	170
Total Imports	133	135	133	150	125	159	160	0	170
Total Supply	1698	1647	1698	1566	1655	1625	1539	40	1615
Intra EU Exports	0	0	0	0	0	0	0	0	0
Other Exports	551	570	554	455	550	443	440	0	390
Total Exports	551	570	554	455	550	443	440	0	390
Human Dom. Consumpti	1106	1037	1103	1067	1065	1137	1059	0	1175
Other Use, Losses	0	0	0	0	0	0	0	0	0
Total Dom. Consumption	1106	1037	1103	1067	1065	1137	1059	0	1175
Ending Stocks	41	40	41	44	40	45	40	0	50
Total Distribution	1698	1647	1698	1566	1655	1625	1539	0	1615

Consumption

Prices

Alberta Fed Steer Prices- monthly averages

C\$/cwt/live

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	105.08	107.10	109.62	98.19	94.77	90.73	90.11	92.43	94.57	97.23	101.69	105.05
2003	114.17	115.13	110.29	108.55	106.31	65.44	37.80	39.02	73.09	79.07	80.45	82.06
2004	82.36	80.03	85.81	84.25	80.03	71.73	70.64	66.69	78.39	79.12	79.18	85.32
2005	85.26	88.68	83.19	80.14	79.54	80.42	84.77	85.03	85.19	86.57	91.98	96.42
2006	95.39	89.32	87.51	85.22	85.03	86.92	85.84	85.23	86.01	85.69	84.97	85.68
2007	87.60											

Source: CanFax

Policy

Would MRR2 Trigger an Increase in Imports of Cull Animals from Canada?

There has been some speculation that USDA's proposed Minimum Risk Rule 2 (MRR2) would result in a flood of imports of older bovines from Canada. Under current U.S. BSE import control measures, only live bovines under 30 months for slaughter or for feeding in designated feedlots and destined for slaughter are permitted entry. Post analysis is that it is unlikely that MRR2 would result in a significant spike of older Canadian live cattle being exported to the United States. In addition to increased slaughter capacity in Canada for cull cattle, the issue of age verification will likely mitigate the number of older Canadian cattle that would be eligible for export. Canada implemented mandatory cattle identification on July 1, 2002 to facilitate traceability, but age verification is currently a voluntary program. As a result, the majority of older cattle in Canada are not age verified. Only about 20-25% of the older cow herd would be eligible for export and while the purebred industries, dairy and beef, mostly know the birth dates of their animals, the average cow-calf producer doesn't know and can't prove their animal's birth dates. In addition, the Canadian cow herd is lower by ¼ million head from this time last year. The public comment period for MRR2 is open until March 12, 2007.

Beef Imports from Non-NAFTA partners

Canada restricted supplementary imports of non-NAFTA beef following Canada's initial BSE incident of May 2003 when the disruption to exports resulted in surplus supplies of Canadian beef. Under NAFTA, Canada has no quantitative controls on imports of U.S. or Mexican beef (or from Chile under the Canada/Chile FTA), but it does operate a tariff rate quota for beef imports from what are commonly referred to as non-NAFTA sources (mostly Australia, New Zealand, Uruguay, Argentina, etc.).

Canada's TRQ for non-NAFTA beef is 76,409 metric tons annually. Normally, over-quota imports would be assessed a 26.5% duty, but in the years prior to the BSE outbreak,

Canada, at the discretion of the trade minister (and to the chagrin of Canadian cattlemen), had been granting duty-free "supplementary imports" that resulted in large supplies of additional imported "manufacturing or processing-type beef (i.e., ground meat and low-priced cuts) from non-NAFTA sources. This relatively unconstrained use of supplemental imports from low-cost countries forced Canadian cattle producers to seek higher prices by sending their older cattle to be processed in the United States. As a result, fewer and fewer Canadian slaughter plants were including older, cull cattle in their slaughter mix. When BSE hit in May 2003, Canada lost access to bovine markets in the United States (i.e., U.S. BSE border measures) and no longer had the slaughter capacity to process all its cattle. Canadian strategy then turned to increasing slaughter capacity for cull animals and the GOC suspended supplementary imports of non-NAFTA beef to prevent the Canadian market from being completely swamped by manufacturing type beef.

Currently, Canada continues not to authorize the issuance of supplementary imports to its Beef and Veal TRQ. Canadian cattlemen do not want to see a return to high volumes of supplementary beef imports and recently, the House of Commons Agriculture Committee tabled a recommendation that Canada permanently constrain the use of supplementary imports for beef and veal from non-NAFTA countries. Canada's trade minister has discretionary power with regard to supplementals.

Canada's 9th Case of BSE

On February 7, 2007 the Canadian Food Inspection Agency (CFIA) confirmed the diagnosis of bovine spongiform encephalopathy (BSE) in a mature bull from Alberta. The finding marks the 9th case of BSE in Canada. The last Canadian cases were July 13 and August 23 last year, also in Alberta. According to the CFIA, the animal was identified at the farm level by the Canada's BSE surveillance program, which targets the highest risk cattle populations and has tested roughly 150,000 animals since 2003. The CFIA indicated that no part of the animal entered the human or animal food chains. The CFIA will undertake an epidemiological investigation to identify herdmates and determine what the animal was fed early in its life. These latest Canadian detections are not expected to impact trade with Canada.

Trade

Exports

Canadian beef exports fell sharply during 2006. As shown in the table below, Canadian beef exports to the world (product weight basis) fell 20% to 340,386 metric tons in 2006 from 425,821 metric tons during 2005. Most of the decline was due to lower beef exports to the United States reflecting the re-opening of the U.S. market to live Canadian slaughter cattle by mid-2005. Prior to BSE, the U.S. market has consistently absorbed about 85% of Canadian beef exports and the same is true today, but the reality is that Canada is exporting less beef to the United States.

Canadian beef exports to the United States in 2006 slipped to 289,474 metric tons, a drop of 21% from the previous year level. The average annual growth rate for Canadian beef exports to the U.S. in the five years ending 2006 was -5.6%.

Despite regaining partial access to the U.S. market for certain live bovines, the combined value of Canadian beef and cattle exports to the U.S. during 2006 was more than \$300 million below 2002, the last full year prior to Canada's first case of BSE. In Canadian dollar terms, the combined value of live bovine and beef exports to the United States fell \$C1.3 billion between 2002 and 2006, with the significant strengthening of the Canadian dollar over the period accentuating the impact of the market disruption caused by BSE.

Canadian Beef Exports: Before and After Canada's May 2003 BSE Case							
Units: metric tons (product weight) and \$US millions	2002	2003	2004	2005	2006	%chng. 06/05	Aver. Ann. Growth Rate (2002-2006)
Qty to United States	388,500	255,833	356,507	368,442	289,474	-21%	-5.6%
Qty to Rest of World	80,990	39,252	73,815	57,379	50,912	-11%	-8.8%
Total to the World	469,490	295,085	430,322	425,821	340,386	-20%	-6.2%
share exported to U.S.	83%	87%	83%	87%	85%		
Value to U.S.	\$1,118	\$854	\$1,198	\$1,266	\$928	-27%	
Live Bovine Value	\$1,160	\$398	\$0	\$532	\$1,044	196%	
Value of Beef + Live Bovines	\$2,278	\$1,252	\$1,198	\$1,798	\$1,972	10%	-2.8%
exchange rate	1.5704	1.4015	1.3015	1.21163	1.13409		
Totals in Canadian Dollars	\$3,577	\$1,755	\$1,560	\$2,179	\$2,236	3%	-9.0%
#head exported (reference)	1,687	505	-	559	1,032		
Source: Derived from World Trade Atlas							

In 2002, the full calendar year prior to BSE, Canada exported 80,990 metric tons of beef and veal to countries other than the United States. However, post-BSE, international market recovery is incomplete. The average annual growth rate of Canadian beef exports to non-U.S. destinations in the five years ending 2006 is -8.8%. Canadian beef and veal exports to

destinations other than the U.S. fell to 50,912 metric tons product weight in 2006, down 11 percent from a year earlier.

Imports

Canadian imports of beef and veal from the United States soared to a record \$414 million in 2006 reflecting strong demand from Canada's foodservice sector, lower Canadian beef production, and lower Canadian imports of offshore beef. However, despite the record value of U.S. exports of beef to Canada in 2006, on a quantity basis, the level of U.S. beef exported to Canada was merely returning to the pre-BSE level. Almost 90% of U.S. beef exports are destined for Ontario, Quebec and British Columbia. For 2007, prospects appear to be favorable for further gains for U.S. beef in Canada given that Canadian beef output is forecast to fall again if Canada's live slaughter cattle exports to the United States continue at the 2006 pace.

Canada: Beef Imports from the U.S; Before and After Wash. State BSE Case Dec 2003						
Units: metric tons (product weight)						
and \$US millions	2001	2002	2003	2004	2005	2006
Qty from the U.S.	81,648	84,793	81,677	18,369	39,259	75,737
Qty from Rest of World	148,915	152,156	129,186	66,780	63,137	46,197
Total from World	230,563	236,950	210,863	85,149	102,396	121,934
U.S. share Cdn. beef imports	35%	36%	39%	22%	38%	62%
Value of beef from U.S.	\$268	\$278	\$315	\$92	\$197	\$414
Value in Canadian dollars	\$415	\$437	\$441	\$118	\$237	\$468
Source: Derived from World Trade Atlas						

Hogs and Pork

Canadian hog farmers ushered in 2007 with fewer hogs on farms. Statistics Canada (SC) recently released the Canadian hog inventory as of January 1, 2007 and the data show that the hog herd has stabilized after almost five consecutive quarters of decline. According to the SC survey, there were 14.3 million hogs on farms as of January 1, 2007, 2.7% below the same date last and virtually unchanged from October 1, 2006.

Profitability has been under pressure in the Canadian hog industry. Slaughter hog prices weakened in the fall of 2005 and have remained relatively low since. During the first nine months of 2006, the average price for hogs was 14.2% lower than the same period in 2005. Lower prices led to a 13.6% drop in hog farm cash receipts during 2006. Domestic slaughter has continued to decline after reaching a record high in 2004, mainly because of lower prices paid to producers and higher feeding costs. Hog slaughter dropped 2.4% between 2005 and 2006. In 2006, Canadian hog producers exported 8.8 million live hog to the United States, up 7% from the 2005 level of 8.2 million head. About 70% of live Canadian hog exports are feeder pigs destined for finishing and slaughter in the United States.

Commodity	Animal Numbers, Swine								
	2005			2006			(1000 HEAD)(PERCENT)		
	Revised	Post	Estimate	Estimate	Post	Post	Forecast	Post	Post
	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Post Estimate	USDA Official	Post Estimate	Post Estimate
Market Year Begin	01/2005	01/2005	01/2005	01/2006	01/2006	01/2006	01/2007	01/2007	01/2007
Total Beginning Stocks	14619	14675	14619	14690	14950	14730	14250	14600	14329
Sow Beginning Stocks	1613	1613	1613	1607	1600	1607	1600	0	1591
Production (Pig Crop)	33369	32500	33413	33200	32400	33193	33000	0	32775
Intra-EU Imports	0	0	0	0	0	0	0	0	0
Other Imports	1	1	1	1	2	1	1	0	1
Total Imports	1	1	1	1	2	1	1	0	1
Total Supply	47989	47176	48033	47891	47352	47924	47251	14600	47105
Intra EU Exports	0	0	0	0	0	0	0	0	0
Other Exports	8215	8200	8215	8620	8700	8785	8800	0	9200
Total Exports	8215	8200	8215	8620	8700	8785	8800	0	9200
Sow Slaughter	0	0	0	0	0	0	0	0	0
Other Slaughter	22325	22350	22336	22000	22500	21810	21700	0	21000
Total Slaughter	22325	22350	22336	22000	22500	21810	21700	0	21000
Loss	2759	1676	2752	3021	1552	3000	2751	0	2905
Ending Inventories	14690	14950	14730	14250	14600	14329	14000	0	14000
Total Distribution	47989	47176	48033	47891	47352	47924	47251	0	47105

Outlook 2007

For 2007, Canadian hog producers face a number of developments that will impact on profitability, the level of pork production, the number of live hog exports to the United States, and declining domestic pork consumption.

Canadian live hog exports to the United States reached a record 8.8 million head during 2006, 7% greater than a year earlier. For 2007, post forecasts Canadian live hog exports to the United States to reach about 9.2 million head. Some of the reasons for forecasting increased Canadian live hog exports include: 1) Canada's major pork processors, Maple Leaf Foods, Inc., and Olymel are in the midst of restructuring their pork operations, a development that is expected to result in fewer plants slaughtering hogs in Canada in the coming years, 2) In Manitoba, the province that exports the majority of live hogs, a provincial government environmental study has caused uncertainty in both the hog production and hog processing sector resulting in the abandonment of a major project to construct a large slaughter facility and; 3) uncertainty concerning upward pressure on the price of feed related to the feedstock demands of the biofuel industry causing lower profitability for hog finishers. Combined, these factors are forecast to contribute to an increase in live hog exports to the United States in 2007.

Canada: Live Swine Exports to the United States						
Units: '000 head						
						2006/2005
	2004		2005		2006	% Change
TOTAL	8,509		8,186		8,763	7%
Slaughter Hogs	2,876		2,769		2,747	-1%
Feeder Pigs	5,627		5,412		6,014	11%
Purebred Pigs	6		5		3	-41%
Source of data: World Trade Atlas						

Production

Canadian pork output fell to an estimated 1,870 thousand metric tons, 2.3% below the 2005 level of 1,914 thousand metric tons. For 2007, a lower hog inventory, a smaller pig crop and increased exports of live hogs to the United States are expected to reduce Canada's pork production potential. Post forecasts 2007 pork output to drop to about 1,810 thousand metric tons and result in the third consecutive year of a pork production decline for Canada.

Commodity	Meat, Swine								
	2005			2006			(1000 HEAD)(1000 MT CWE)(P)		
	2005	Revised	Post	2006	Estimate	Post	2007	Forecast	Post
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	01/2005	01/2005	01/2006	01/2006	01/2006	01/2007	01/2007	01/2007	
Slaughter (Reference)	22325	22350	22336	22000	22500	21810	21700	0	21000
Beginning Stocks	50	45	50	59	38	52	54	40	44
Production	1914	1915	1914	1885	1930	1870	1860	0	1810
Intra-EU Imports	0	0	0	0	0	0	0	0	0
Other Imports	140	142	140	140	160	145	145	0	130
Total Imports	140	142	140	140	160	145	145	0	130
Total Supply	2104	2102	2104	2084	2128	2067	2059	40	1984
Intra EU Exports	0	0	0	0	0	0	0	0	0
Other Exports	1084	1080	1084	1100	1110	1080	1120	0	1050
Total Exports	1084	1080	1084	1100	1110	1080	1120	0	1050
Human Dom. Consumptic	766	789	773	730	775	751	684	0	694
Other Use, Losses	195	195	195	200	203	192	205	0	190
Total Dom. Consumption	961	984	968	930	978	943	889	0	884
Ending Stocks	59	38	52	54	40	44	50	0	50
Total Distribution	2104	2102	2104	2084	2128	2067	2059	0	1984

Consumption

Per Capita Consumption

After peaking in 2001 at 28.94 kilograms per capita, Canadian pork consumption has declined annually in each of the subsequent years with the exception of 2004. If post estimate of 2006 per capita consumption of 22.25 kg holds true, Canadian per capita pork will have fallen almost 25% in the five years ending 2006. Some of the factors behind declining pork consumption include 1) Strong retail prices during a period when BSE-related issues boosted Canadian beef supplies, 2) Steady to increasing Canadian exports of pork and; 3) pork's inability to capitalize on foodservice market gains shared by other meats and fish.

Canadian Per Capita Pork Consumption						
Units: kilograms (carcass weight basis)						
2001	2002	2003	2004	2005	2006	2007
					estimate	projection
28.94	27.83	25.12	26.65	22.93	22.25	21.00
Source: Statistics Canada (Post for estimates)						

Retail Pork Prices and Hog Market Prices

The following tables illustrate average retail pork prices and producer market prices for slaughter hogs. While retail pork prices were peaking in 2005, producer prices for market hogs were softening. High retail pork prices are thought to be one of the factors contributing to a significant decline in Canadian pork consumption over the past five years.

Average Retail Pork Prices						
Currency = \$ Canadian						
	Unit	January 2003	January 2004	January 2005	January 2006	January 2007
Pork Chops	1 kg	9.4	9.28	10.19	9.42	9.53
Bacon	500 g	4.27	4.33	4.83	4.74	4.65
Wieners	450 g	2.53	2.44	2.58	2.61	2.79
Source: Statistics Canada, CANSIM, table 326-0012 and Catalogue no. 62-001-X.						

Hog Prices

Canada: Slaughter Hog Prices; Ontario & Manitoba						
Units: \$ Canadian/100 lbs; index 100 dressed hogs						
	ONTARIO			MANITOBA		
	2004	2005	2006	2004	2005	2006
January	52.16	71.56	54.33	56.25	72.89	54.83
February	64.86	72.46	53.38	65.77	71.96	55.62
March	71.67	70.53	56.34	71.21	69.84	57.38
April	71.21	69.69	52.44	72.12	70.94	54.64
May	85.73	77.02	59.94	84.82	78.23	63.24
June	88.90	69.35	65.99	87.09	70.45	69.03
July	84.82	66.90	66.19	85.28	68.99	66.78
August	80.29	68.85	65.13	83.91	69.98	68.00
September	74.39	66.41	64.37	77.11	66.88	64.58
October	70.76	64.02	59.72	76.66	63.98	61.58
November	63.96	59.42	57.96	71.67	59.21	59.40
December	66.68	57.71	57.39	74.84	58.29	59.04
Average	72.57	67.83	59.43	75.75	68.47	61.18
Source: StatCan						

Trade

Pork Exports

After more than ten years of consecutive annual increases, Canadian pork exports during 2006 fell fractionally from the year earlier level. On a carcass weight basis, Canadian pork exports reached an estimated 1,080,000 metric tons during 2006, 0.4% below the 2005 level of 1,084,000 metric tons. During 2006, significant increases of Canadian pork exports to Russia, South Korea and Romania failed to offset moderate export declines to the United States and to Japan. For 2007, the decline in hogs numbers and prospects for increased live hog exports to the United States point to lower pork exports, probably in the neighborhood of 2-3% lower than the 2006 level. The following table shows Canadian pork exports, by country, on a product weight basis, 2004-2006.

Canada: PORK EXPORTS

Country	MT- Product Weight Basis			January - December	
	- MT- 2004	- MT- 2005	- MT- 2006	% Change - 06/05 -	
-- The World --	747,427	833,602	830,649	-0.35	
United States	387,507	367,638	345,135	-6.12	
Japan	177,597	233,895	188,455	-19.43	
Russia	11,038	19,615	63,688	224.69	
Korea, South	21,725	44,369	57,223	28.97	
Romania	9,295	27,735	39,371	41.96	
Australia	35,133	34,080	37,204	9.16	
Mexico	42,047	35,050	29,045	-17.13	
China	8,904	13,880	15,870	14.33	
New Zealand	6,889	6,683	8,363	25.14	
South Africa	533	3,151	7,277	130.96	
All Others	46,759	47,506	39,019		

Derived from World Trade Atlas

Pork Imports

U.S. pork sales to Canada increased 6% during 2006 to reach 111,751 metric tons (product weight). Canadian pork imports have increased in recent years reflecting the appreciation of the Canadian dollar. More than 80% of pork imported from the United States is destined for Ontario and British Columbia. For 2007, demand for U.S. pork may decline slightly as a result of anticipated lower Canadian consumption and lower Canadian pork exports.

CANADA: PORK IMPORTS

MT- Product Weight Basis				
Country	- MT- 2004	- MT- 2005	- MT- 2006	% Change - 06/05 -
January - December				
-- The World --	80,697	107,325	111,751	4%
United States	78,137	99,919	105,624	6%
Denmark	1,329	5,241	2,687	-49%
Chile	0	790	2,301	191%
Italy	575	430	517	20%
All Others	656	944	622	-34%

Derived from World Trade Atlas

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