

Voluntary Report – Voluntary - Public Distribution

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Report Name: Canadian Pork Promotion and Research Agency Proclamation

Country: Canada

Post: Ottawa

Report Category: Livestock and Products, Agricultural Situation

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Report Highlights:

The proclamation for a Canadian Pork Promotion and Research Agency (PRA) was released in Canada Gazette Part I on Saturday March 7, 2020. The published proposal would see a levy collected on the marketing of hogs for interprovincial or export trade as well as an import levy on live hogs and pork products imported into Canada. The current proposal calls for a national levy amount of CAD 0.75 per head which would be applied to all imports; provincial levies may vary but only the national will apply to imports.

The Pork PRA is proposed to have 12 elected members represented according to the following breakdown:

- One member each from the provinces of PEI, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia
- One member to represent importers; this member may import hogs and/or pork and must demonstrate that they imported in the year prior to their representation
- Two members-at-large; these members will be selected from applicants directly involved with the Agency's work. If there are no applicants, the Agency will invite individuals from the pork value chain to submit applications for consideration.

As part of the gazette process, the Pork PRA proclamation will be open to consultation for 30 days. **Comments should be submitted by April 6, 2020 to:**

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Background

In July 2015, the Canadian Pork Council (CPC) submitted an application to the [Farm Products Council of Canada](#) (FPCC) for the creation of a Promotion and Research Agency (PRA). The proposal was heard at two public hearings in January 2016 and February 2016 and a public comment period was also observed. Following CPC responses to questions arising from the hearings and public comments, FPCC published a Panel Report in April 2016. The Panel indicated support for establishment of a pork PRA and the proposal has awaited Ministerial approval until now (see Figure 1). The PRA will now pass through the [gazette process](#). According to the implementation process in the proclamation, within three months an interim board for the Pork PRA will be established by the CPC and the first board of directors will be nominated. The business plan and budget for the first year must be established and submitted to FPCC for review. The request to collect a levy and the proposed funding plans from the levy must also be submitted to FPCC. It is anticipated the levy will be in place for 2021.

Pork PRA Proposal Key Details

A Canadian Pork PRA is intended to fund generic (“pork”) advertising, brand and market development, consumer education, and promotional activities as well as funding research activities to inform best management practices, foster innovation, and improve efficiencies. Currently, provincial levies contribute to funding of these activities. A national level will harmonize the process and generate extra funding from the application of a levy on imports in addition to Canadian hogs/pork.

On import levies, the proposal highlights that the Canadian Pork PRA would be like the U.S. checkoff system. Provincial levies vary but on the basis of the minimum provincial levy, the national levy is proposed to be CAD 0.75 per market hog (Table 1).

Table 1- Summary of levies charged by provincial boards to Canadian farmers on market hogs (CAD)

	Province								
	BC	AB	SK	MB	ON	QC	NB	NS	PEI
Total of provincial levies applied to market hogs (\$/market hog)	1.00	1.00	0.85	0.80	0.95	1.17	1.00	1.60	1.23
Amount deemed eligible (\$/market hog)	1.00	1.00	0.85	0.80	0.95	0.95	1.00	1.60	1.23
Minimum common amount deemed eligible (\$/market hog)	0.75								

The majority of the import levy amount collected will come from pork products. In order to apply the CAD 0.75 per market hog levy on these live products the following equation is proposed:

$$\text{Live Hog} = \frac{(\text{kg pork imported}) \times (\text{conversion factor to cold dressed carcass weight})}{\text{conversion factor hot-to-cold carcass weight}}$$

$$= \frac{\text{above total}}{\text{average live hog weight (kg)}}$$

Based on the above equation and five-year import averages (2010-2014) the proposal estimated import levies would generate an annual revenue of CAD 2.02 million for the PRA and the Canadian provincial levies were estimated to generate an annual revenue of CAD 15.665 million. Collection of a national levy, and an import levy, would be contingent on agreement with all nine provincial associations.

To establish the PRA, an eleven-member transitional Board is proposed comprised on ten provincial producer members (allocated by weighting the size of provincial production bases) and one importer. This transitional Board will establish the permanent Board.

Significant Panel Observations

- The Pork PRA proposal received 16 submissions of comments: nine in opposition, four in support, and three neutral.
- Most Canadian producers were observed to be in support of the PRA.
- Support from importers was less obvious but given that only one association representing importers, of five consulted, indicated opposition, support was considered enough.
- The proposed CAD 0.75 import levy, based on the provincial minimums, is considered WTO compliant on the basis of national treatment obligations.
- A Pork PRA is in the public interest to further develop the pork market in Canada.

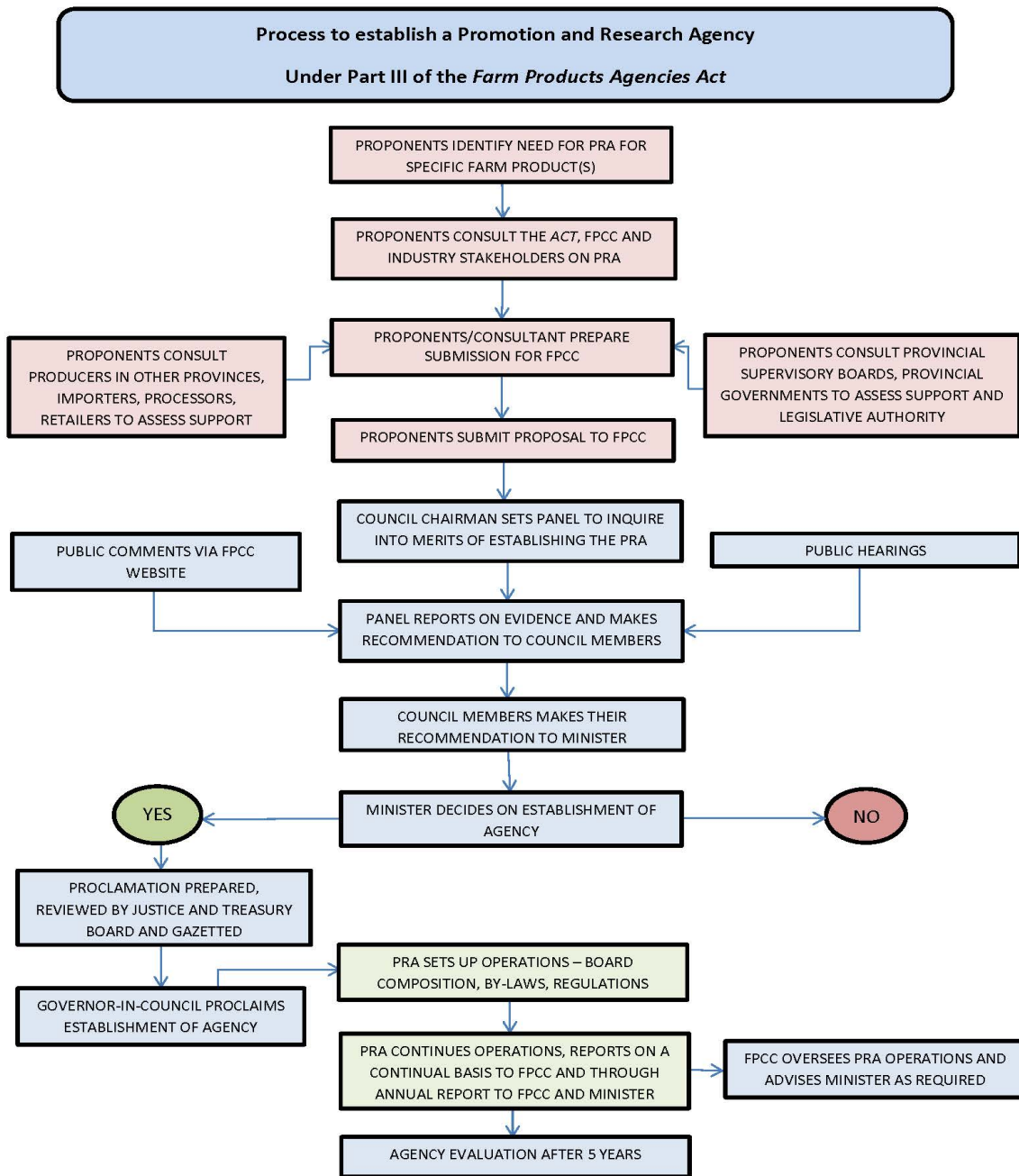


Figure 1- PRA process summary.

Attachments:

No Attachments.