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Canada

Livestock and Products

Contraction Phase of Cattle Cycle; Hog and Pork Expansion

2000

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Report Highlights: Canada's cattle industry is in the contraction phase of the cattle cycle. However, beef production in 2000 is forecast to register a small increase reflecting reduced exports of live slaughter cattle to the United States. Increases in Canadian pork production in 2000 and 2001 are expected to average between 6.0-9.0% reflecting hog production and processing expansion and reduced live slaughter hog exports to the United States. Rising Canadian beef and pork exports are poised for further increases to major markets in the United States and in Asia in coming years.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Ottawa [CA1], CA

Executive Summary

* Canada's cattle industry is in the contraction phase of the cattle cycle, but increased feeder cattle imports and reduced slaughter cattle exports are forecast to result in a small increase in total beef output during 2000 to about 1.24 million metric tons following record 1999 levels.

* Declining inventory prospects in 2000 point to strengthening prices as the year progresses. Current demand for feeder cattle in Canada is strong, buoyed by the strength in fed cattle market prices and attractive feed grain prices. Canadian feeder cattle supplies are expected to be tight until at least 2002 or 2003.

* Total Canadian beef and veal imports in 1999 rose about 10% over a year ago due to an increase in frozen boneless beef from offshore suppliers. Uruguay and Argentina increased exports of grinding beef to Canada in 1999. Canadian imports of U.S. beef fell for the 5th consecutive year reflecting more aggressive marketing in the domestic market by Canadian packers made anxious by U.S. trade actions and threats of actions against Canadian cattle and beef.

* Higher Canadian beef output in 1999 was reflected in increased beef exports. In the January to November period of 1999, Canadian beef exports (carcass weight basis) rose 20% over the same period a year earlier to 0.5 million metric tons. The largest gain for Canadian beef exports was to the United States where beef exports rose 18% from a year ago and exceeded 410,000 metric tons.

* The most significant rate of increase for Canadian beef exports during 1999 was to Mexico. In the first 11 months of 1999, Canadian beef sales to Mexico were more than five times the 1998 level for the same period. The Mexican anti-dumping action on U.S. beef (launched after the R-CALF complaint on Mexican cattle) resulted in stronger sales of Canadian beef in the Mexican market.

* U.S. exports of feeder cattle to Canada under the Northwest Cattle Project currently exceed an estimated 120,000 head in the six-month season that began October 1, 1999. The level compares with 51,009 head total for all of the 1998/99 season. Bolstered by strengthening feeder cattle prices, the estimated current value of U.S. feeder cattle exports under the program in 1999/00 is approximately $75.0 million.

*The Canadian Cattlemen's Association supports the current GOC proposal for the regionalization of animal health status and claims that the action moves Canada a step closer to allowing year-round access of cattle imports from certain zones in the United States.

* Increases in Canadian pork production in 2000 and 2001 are expected to average between 6.0-9.0% reflecting hog production and processing expansion and reduced live slaughter hog exports to the United States. Canadian pork exports remain strong and are poised for further increases into U.S. and Asian markets in coming years.

* According to the CFIA, only one Canadian hog plant has been approved to import U.S. hogs under the revised slaughter swine regulations. However, the company has not applied for any import permits to bring in U.S. hogs. Industry contacts claim that current U.S. hog market price levels and the currency exchange make it economically unfeasible.

NOTE: This report was prepared prior to Statistics Canada's February 17 release of the livestock

inventories for January 1, 2000.

Section I. Cattle and Beef Update

Cattle: Canada's cattle industry is in the contraction phase of the cattle cycle. Statistics Canada reports that after peaking on January 1, 1996, the beef breeding herd has continued to decline. The high level of heifers in the slaughter mix over the last two years has contributed to increased beef production but has not replenished the cow herd which on July 1, 1999 had declined by more than 3% to 4.5 million head from 4.8 million head at mid-1996. Industry analysts expect the cattle inventory to decline through 2000 before beginning to increase in 2001.

PSD Table						
Country	Canada					
Commodity	Animal Numbers, Cattle				(1000 HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Total Cattle Beg. Stks	13272	13272	12981	12981	12750	12750
Dairy Cows Beg. Stocks	1235	1235	1221	1221	1220	1220
Beef Cows Beg. Stocks	4243	4283	4211	4211	4100	4150
Production (Calf Crop)	5290	5290	5000	5150	4850	5090
Intra EC Imports	0	0	0	0	0	0
Other Imports	117	117	164	220	165	250
TOTAL Imports	117	117	164	220	165	250
TOTAL SUPPLY	18679	18679	18145	18351	17765	18090
Intra EC Exports	0	0	0	0	0	0
Other Exports	1315	1315	950	1000	800	800
TOTAL Exports	1315	1315	950	1000	800	800
Cow Slaughter	552	530	495	495	440	450
Calf Slaughter	373	358	375	340	330	335
Other Slaughter	2845	2882	2955	3165	2930	3265
Total Slaughter	3770	3770	3825	4000	3700	4050
Loss	613	613	620	601	615	590
Ending Inventories	12981	12981	12750	12750	12650	12650
TOTAL DISTRIBUTION	18679	18679	18145	18351	17765	18090
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Beef & Veal Production

Post estimates that Canadian beef and veal in 1999 increased more than 6.5 % to 1,225 thousand metric tons. Increased fed cattle slaughter and reduced exports of live slaughter cattle to the United States boosted domestic beef output. For 2000, domestic slaughter rates are expected to remain close, or slightly above, year earlier levels as the effect of the lower cattle inventory is offset by increasing feeder cattle imports and lower fed cattle exports. However, the overall beef production increase in 2001 is expected to be small (about 1-1.5%).

PSD Table						
Country	Canada					
Commodity	Meat, Beef and Veal				(1000 MT CWE)(1000 HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Slaughter (Reference)	3770	3770	3825	4000	3700	4050
Beginning Stocks	23	23	25	25	25	25
Production	1199	1150	1210	1225	1178	1240
Intra EC Imports	0	0	0	0	0	0
Other Imports	240	240	250	260	275	270
TOTAL Imports	240	240	250	260	275	270
TOTAL SUPPLY	1462	1413	1485	1510	1478	1535
Intra EC Exports	0	0	0	0	0	0
Other Exports	416	416	465	490	480	515
TOTAL Exports	416	416	465	490	480	515
Human Dom. Consumption	1021	972	995	995	980	998
Other Use, Losses	0	0	0	0	0	0
TOTAL Dom. Consumption	1021	972	995	995	980	998
Ending Stocks	25	25	25	25	18	22
TOTAL DISTRIBUTION	1462	1413	1485	1510	1478	1535
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0
Calendar Yr. Exp. to U.S.	0	0	0	0	0	0

Cattle on Feed Report:

Canada's first cattle on feed report was recently released by CanFax, a private market research service, and Agriculture and Agri-Food Canada (AAFC). Canada committed to improving cattle data availability under the U.S./Canada Record of Understanding (December 1998) to reduce trade tensions and increase bilateral trade. The monthly cattle on feed report, will cover the major feedlots in Alberta and Saskatchewan, the predominant cattle feeding region. The report will provide the U.S. beef industry with improved market information on Canadian beef industry developments and is available on the Red Meat Section of the AAFC website at http://www.agr.ca/newintre.html The report will become more useful by the fall of 2000 when year earlier data comparisons are possible.

Cattle Prices

Canadian fed cattle prices remained stronger than anticipated throughout 1999 and declining inventory prospects and lower cattle marketings in the U.S. and Canada in 2000 point to strengthening prices as the year progresses. Current demand for feeder cattle in Canada is strong, buoyed by the strength in fed cattle market prices and feed grain prices. Canadian feeder cattle supplies are expected to be tight until at least 2002 or 2003. As result, western Canadian feedlot demand for U.S. feeder cattle under the Northwest Cattle Project should remain strong.

Canada: Slaughter Steer Prices							
Monthly Weighted Averages; Alberta							
Units: C$/hundredweight							
	1994	1995	1996	1997	1998	1999	2000
January	91.25	94.53	78.64	79.71	84.69	90.08	95.00*
February	91.01	94.00	75.31	84.12	82.56	88.36	
March	95.50	89.60	75.94	87.15	83.45	90.85	
April	93.82	84.29	71.97	86.30	86.74	88.58	
May	85.95	80.59	72.28	84.69	86.33	88.03	
June	81.07	81.25	73.60	82.31	83.44	86.37	
July	83.80	80.00	77.90	83.00	79.81	84.94	
August	84.73	78.78	83.59	83.55	80.95	87.42	
September	80.84	77.06	86.61	80.19	78.35	87.26	
October	81.02	79.24	87.61	84.00	84.06	89.82*	
November	87.83	83.45	86.11	87.20	88.67	95.11*	
December	88.06	81.64	78.16	85.81	86.81	99.20*	
Annual Aver.	86.17	82.91	78.98	84.00	83.56	89.70*	
* estimate, based on weekly data							
Sources: StatCan; Livestock Statistics & CanFax							
file: catpri00.wk4							
						updated 1/25/00	

Beef Trade

Total Beef Imports

Total Canadian beef and veal imports in the January to November period of 1999 rose 10% over a year ago due entirely to a substantial increase in frozen boneless beef from offshore suppliers. For non-NAFTA countries, Canada applies a tariff rate quota (TRQ) of 76,409 metric tons with specific shares for Australia and New Zealand. In 1999, Uruguay and Argentina increased beef exports to Canada (mostly grinding beef). For total Canadian beef imports by country see page 8.

Beef Imports: Carcass Weight Basis

Canada: Total Beef & Veal Imports							
January to November 1998 & 1999							
		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
Code	Description	1998	1999	conv.	1998	1999	%
		MT	MT		MT	MT	Chg.
0201.10	Beef & Veal Carc'ss.	18	0	1.00	18	0	-100%
201.2	Cuts with Bone-in	4,095	4,096	1.00	4,095	4,096	0%
201.3	Boneless Beef & Veal	61,212	60,726	1.40	85,697	85,016	-1%
0202.10	Carcasses, froz.	21	19	1.00	21	19	-10%
0202.20	Cuts, bone-in, froz.	1,481	981	1.00	1,481	981	-34%
0202.30	Boneless, frozen	82,952	95,851	1.40	116,133	134,191	16%
0210.20.00.00	Salt./Dried/Smoked	113	71	1.18	133	84	-37%
1601.00.19.00	Air'tght Cont. (50%)	150	206	0.85	64	175	175%
1601.00.90.91	Salami (50%)	364	330	1.10	200	363	81%
1601.00.90.92	Weiners (80%)	2,992	1,638	0.80	1,915	1,310	-32%
1601.00.90.93	Sausages (90%)	902	730	0.85	690	620	-10%
1601.00.90.94	Sausage, cured (50%)	2,503	3,743	1.10	1,377	4,117	199%
1601.00.90.99	Other (50%)	3,048	3,114	0.85	1,295	2,647	104%
1602.5	Prepared Meals	13,511	15,928	0.50	6,756	7,964	18%
	Total Beef & Veal	173,362	187,433		219,874	241,585	10%
Source: Canadian Trade Analyzer							

Beef Imports from the United States

Traditionally, Canadian imports of high quality beef are supplied by U.S. exporters while the Canadian import market for lower quality and manufacturing beef is supplied from offshore. In recent years, Canadian imports of U.S. beef have trended down reflecting a more aggressive approach by Canada’s large western beef packers to market high quality beef in eastern Canada, the traditional stronghold of U.S. beef in Canada. In recent years, U.S. trade actions and threats of actions against Canadian cattle and beef in U.S. markets has, according to industry experts, resulted in a more focused targeting of the eastern Canadian market by western Canadian packers who desire a stronger position in the eastern market in the event that access for Canadian cattle and beef into the U.S. is restricted by trade action.

Beef Imports from the U.S.: Carcass Weight Basis

Canada: Beef & Veal Imports from the U.S. January-November 1998 & 1999							
		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
Code	Description	1998	1999	conv.	1998	1999	%
		MT	MT		MT	MT	Chg.
0201.10	Beef & Veal Carc'ss.	18	0	1.00	18	0	-100%
0201.20	Cuts with Bone-in	3,855	3,720	1.00	3,855	3,720	-4%
0201.30	Boneless Beef & Veal	57,250	54,780	1.40	80,150	76,692	-4%
0202.10	Carcasses, frozen	21	0	1.00	21	0	-100%
0202.20	Cuts, bone-in, froz.	1,090	639	1.00	1,090	639	-41%
0202.30	Boneless, frozen	7,337	5,821	1.40	10,272	8,149	-21%
0210.20.00.00	Salt/Dried/Smoked	113	70	1.18	133	83	-38%
1601.00.19.00	Airtight Cont.(50%)	130	184	0.85	55	156	183%
1601.00.90.91	Salami (50%)	364	330	1.10	200	363	81%
1601.00.90.92	Weiners (80%)	2,977	1,631	0.80	1,905	1,305	-32%
1601.00.90.93	Sausages (90%)	901	730	0.85	689	620	-10%
1601.00.90.94	Sausage, cured(50%)	2,503	3,743	1.10	1,377	4,117	199%
1601.00.90.99	Other (50%)	3,047	3,111	0.85	1,295	2,644	104%
1602.50	Prepared Meals	9,768	11,701	0.50	4,884	5,850	20%
	Total Beef & Veal	89,374	86,460		105,945	104,340	-2%
Source: Canadian Trade Analyzer							

Beef Imports by Supplying Country

Canada: Fresh and Frozen Beef & Veal Imports
1996-1998 Calendar Years; Jan. - November '99 & '98 Comparisons
Units: metric tons product weight
Excludes processed beef
HS=0201; 0202

					11mos.	11mos.	%
	1996	1997	1998		1998	1999	chng.
United States	89,937	85,023	76,926		69,572	64,961	-7%
New Zealand	46,775	43,558	45,451		43,004	33,483	-22%
Australia	26,983	37,350	39,236		36,020	42,004	17%
Uruguay	138	8,325	1,044		969	12,791	1220%
Argentina		1	208		208	8,419	3948%
Others	30	64	5		5	15	200%
Total	163,863	174,320	162,870		149,778	161,673	8%
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1/28/00							

Beef Exports; Carcass Weight Basis

Canada: Total Beef & Veal Exports, January - November, 1998 & 1999							
		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
Code	Description	1998	1999	conv.	1998	1999	%
		MT	MT		MT	MT	Chg.
0201.10.20	Veal Carcasses	4,185	4,700	1.00	4,185	4,700	12%
0201.10.90	Beef Carcasses	2,605	1,573	1.00	2,605	1,573	-40%
0201.20.90	Beef Cuts,Bone-in	93,152	81,068	1.00	93,152	81,068	-13%
0201.30.00	Beef, Boneless	162,845	217,708	1.40	227,983	304,791	34%
0202.10.20	Veal Carc'ss,froz.	7	4,701	1.00	7	4,701	+100%
0202.10.90	Beef Carc'ss,froz.	81	140	1.00	81	140	73%
0202.20.00	Beef Cuts, Bn-in,fz.	4,863	4,309	1.00	4,863	4,309	-11%
0202.30.00	Beef, Boneless, fz.	26,871	30,275	1.40	37,619	42,385	13%
0210.20.00	Salt./Dried/Sm'kd	1,063	552	1.18	1,254	651	-48%
1601.00.10	Air'tght Cont.(50%)	741	377	0.85	315	320	2%
1601.00.90	Other (50%)	12,924	9,707	0.85	5,493	8,251	50%
1602.50.10	Prepared Meals	2,270	3,934	0.50	1,135	1,967	73%
1602.50.20	Other,Air'ght Cont.	398	280	0.50	199	140	-30%
1602.50.90	Other	2,626	2,672	0.50	1,313	1,336	2%
	Total Beef & Veal	314,631	361,996		380,204	456,333	20%
Source: Canadian Trade Analyzer							

Beef Exports to the United States (Carcass Weight Basis)

Canada: Total Beef & Veal Exports to the U.S., January - November, 1998 & 1999							
		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
Code	Description	1998	1999	conv.	1998	1999	%
		MT	MT		MT	MT	Chg.
0201.10.20	Veal Carcasses	4,185	4,700	1.00	4,185	4,700	12%
0201.10.90	Beef Carcasses	2,600	1,538	1.00	2,600	1,538	-41%
0201.20.90	Beef Cuts,Bone-in	92,570	79,818	1.00	92,570	79,818	-14%
0201.30.00	Beef, Boneless	159,147	206,295	1.40	222,806	288,813	30%
0202.10.20	Veal Carc'ss,froz.	7	4,700	1.00	7	4,700	+100%
0202.10.90	Beef Carc'ss,froz.	15	0	1.00	15	0	-100%
0202.20.00	Beef Cuts, Bn-in,fz.	1,629	1,184	1.00	1,629	1,184	-27%
0202.30.00	Beef, Boneless, fz.	14,882	17,373	1.40	20,835	24,322	17%
0210.20.00	Salt./Dried/Sm'kd	33	48	1.18	39	57	45%
1601.00.10	Air'tght Cont.(50%)	86	90	0.85	37	76	109%
1601.00.90	Other (50%)	1,839	1,823	0.85	782	1,550	98%
1602.50.10	Prepared Meals	2,251	3,895	0.50	1,126	1,948	73%
1602.50.20	Other,Air'ght Cont.	330	276	0.50	165	138	-16%
1602.50.90	Other	2,538	2,636	0.50	1,269	1,318	4%
	Total Beef & Veal	282,112	324,376		348,063	410,161	18%
Source: Canadian Trade Analyzer							

Beef Exports by Country

Higher Canadian beef output in 1999 was reflected in increased beef exports. In the January to November period of 1999, Canadian product weight beef exports rose 15% over the same period a year earlier. The largest absolute gain for Canadian beef exports was to the United States where fresh and frozen beef exports rose 13% from a year ago. The development reflected higher beef exports because Canadian exports of live slaughter cattle to the U.S. faced provisional anti-dumping duties. The most significant percentage increase for Canadian beef exports was to Mexico. In the first 11 months of 1999, Canadian beef sales to Mexico were more than five times the 1998 level for the same period. The Mexican anti-dumping action on U.S. beef (launched after the R-CALF complaint on Mexican cattle) resulted in Canadian beef becoming more competitive in the Mexican market. Increased Canadian beef exports to Asia during 1999 were a function of higher sales to South Korea which more than offset a decline in beef sales to Japan. For 2000, a smaller projected increase in Canadian beef slaughter is expected to result in an increase in total Canadian beef exports in the range of 5-7 percent.

Canada: Fresh and Frozen Beef & Veal Exports							
1996-1998 Calendar Years; Jan. - November '99 & '98 Comparisons							
Units: metric tons product weight							
Excludes processed beef							
HS=0201; 0202					11 mos.	11 mos.	%
	1996	1997	1998		1998	1999	chng.
United States	230,762	268,612	300,256		275,034	310,908	13%
Japan	6,209	13,179	13,883		12,594	10,292	-18%
Korea, South	1,465	4,735	3,384		3,053	6,841	124%
Mexico	91	107	1,855		1,316	8,917	578%
Taiwan	607	1,257	1,316		1,169	1,060	-9%
Cuba	87	299	465		415	824	99%
Hong Kong	188	235	271		199	186	-7%
Russia	106	46	217		217	0	-100%
France	208	197	211		207	150	-28%
Others	1,234	595	464		404	599	48%
Total	240,957	289,263	322,322		294,608	339,777	15%
beefex99.wk4-FAS/Ottawa-Source: Canadian Trade Analyzer							
1/28/00							

Cattle and Beef: Policy

U.S. Trade Action

In November 1998, the Ranchers-Cattlemen Action Legal Fund (R-Calf) filed anti-dumping and countervailing duty petitions against imports of cattle from Canada which resulted in provisional anti-dumping duties. On October 13, 1999, the Department of Commerce announced its final determinations in the antidumping and countervailing duty investigations of live cattle from Canada. The DOC ruled in the negative on countervail and the case was terminated. On November 9, 1999 the United States International Trade Commission (ITC) made a negative final determination, finding that a U.S. industry is neither materially injured nor threatened with material injury by reason of imports of live cattle from Canada that the U.S. Department of Commerce has determined are sold in the United States at less than fair value. As a result of the negative determination, the U.S. Department of Commerce stopped imposing antidumping duties on Canadian live cattle that had been in effect since June, 1999.

While pleased with the outcome, Canadian cattle industry spokespersons lamented the fact that the industry's legal bill surpassed $C5 million and charged that the provisional duty had weakened domestic prices for Canadian cattle resulting in lower revenues in the tens of millions of dollars.

Update: Canadian Cattle Identification Agency

Canada's cattle industry has adopted a proactive role in the development of an individual traceback system (for dairy and beef) for animal health and food safety purposes. The industry is acutely aware of the importance of exports to the economic well being of the industry and believes that trade dependency demands a quick response in the event of any outbreak of disease or food safety related issue. The Canadian Cattle Identification Agency (CCIA), a private agency, was incorporated in March 1998 (see CA8040, 8/13/98 p.11) and the CCIA is on schedule to have a mandatory bovine tagging system in place by December 31, 2000. The CCIA is currently conducting field trials on tag retention and is working closely with the Canadian packing industry in developing a system to carry tag application through to carcass inspection. According to the CCIA, 18 of the 20 types of tags tested, which include those with bar codes and electronic systems, have met the agency's 95 per cent retention goal. More than 25,000 tags are currently being tested in feedlots across Canada.

The CCIA remains on target to implement the mandatary identification system by the end of the year. After December 31, 2000 any bovine arriving at a Canadian slaughter plant without a traceback tag will be refused. The CCIA has hired the services of a private computer/software firm to provide a national electronic database system. The CCIA received financial startup assistance for the project from the Beef Industry Development Fund (established as part of the agreement to terminate the National Tripartite Stabilization Agreement for beef. The overall objective of the fund is to work cooperatively with industry and research to support innovative projects which will increase the competitiveness of Canadian beef, domestically and abroad) and from the Canadian Food Inspection Agency which provided approximately C$950,000 to help with the infrastructure costs associated with the traceback system. Once the system is operational, all costs will be funded by the cattle industry. Canadian cattle producers must pay for the ear tags, but the CCIA expects a basic tag will be available for under C$1 per tag. The tag distribution system is designed to assign tag numbers exclusive to individual producers. Producers are required to tag all bovines leaving their farm which will be designated as the herd of origin. Currently, U.S. feeder cattle arriving in Canada carry USDA ear tags. The CCIA expects that U.S. feeders will probably be required to be re-tagged with an official Canadian traceback tag when the program is implemented.

Canada exports about 50 per cent of its cattle and beef production and is moving ahead with the identification program to avoid animal health related trade barriers in export markets. The CCIA believes it has developed a simple, basic, cost-effective program which is industry run in order to meet emerging international standards. Additional background can be found on the CCIA website at: http://www.cattle.ca/CCIA/ including a listing of the strategies and approaches adopted by other major beef producing countries in their efforts to implement cattle traceback systems.

Endangered Species Proposal

In late 1999, Canada's Environment Minister announced the GOC's intention to introduce species at risk legislation in Parliament early in 2000. The legislative proposal, with economic implications for Canada's cattle ranchers, is expected to enhance stewardship programs and incentives, through funding and other means, as the preferred option for protecting habitat. According to the Minister, existing stewardship activities show that this is an effective, cost efficient means of protecting habitat and therefore saving species.

The Canadian Cattlemen's Association supports the new proposal in contrast to a former government plan that the organization feared would force individual ranchers, mostly in the prairie provinces, to bear an unfair part of the load in preserving species at risk. In a recent policy paper, the GOC stated that if the use of one's land has to be highly restricted by the use of the federal habitat safety net to protect species' habitats, then individuals should be able to apply for compensation . The proposed Species at Risk Act (SARA) would give the Minister of the Environment the authority to draft regulations governing just compensation.

Regionalization

In 1997, the USDA passed legislation enabling the recognition of areas, countries, or zones of distinct animal health status. In response to the U.S. requests for reciprocal treatment by Canada, the CFIA has committed to developing the necessary regulatory base. Recently, the CFIA has undertaken development of separate regulations to address sector specific recognition of zones within the U.S. of differing animal health status, namely, the North West Cattle Project and the Slaughter Swine Import Regulations.

In late December 1999, the CFIA published its proposal on Regionalization regarding live animals and certain animal germplasm. The proposed amendments will facilitate ongoing recognition of zones within the U.S. of animal health equivalent to Canada. Documentation requirements from these zones will be reduced thereby facilitating importations. If a state were assessed as a zone of equivalence for swine, then swine or porcine germplasm could be imported from that state based on a certificate of origin. No import permit or animal disease testing would be required, and no restrictions on end use would be imposed.

Countries other than the U.S. could apply and be assessed as equivalent for a species, permitting that species and its germplasm to be imported based on a certificate of origin.

Some zones of the U.S. may be assessed and designated as medium risk. Animals and germplasm from these zones would then be required to be imported under a permit. While there will be a reduction in documentation requirements on imports from some origins in the U.S., there may be a corresponding increase in documentation requirements on imports from some other origins.

Provisions have been made in the new regulations that allow trade to continue under the present import conditions as set out in policy while areas, countries and zones are undergoing the process of being assessed and designated and new import conditions are being developed. The CFIA announced a 120 day public comment period on the proposal beginning December 18, 1999.

The Canadian Cattlemen's Association claims that the action moves Canada a step closer to allowing year-round access of cattle imports from certain zones in the United States and helps ease trade tensions with the U.S., the largest market for Canadian cattle and beef. In a press release, CCA President Ben Thorlakson said, "The inability to move feeder cattle into Canada during the summer months has been a real sticky point with our American neighbors. There are a lot of Canadian feeders who are anxious to continue importing during the summer. It appears this won't be possible this year but we should get everything in place by early fall." Thorlakson emphasized that all precautions are being taken so that year-round access will not jeopardize the health status of the Canadian herd. He added that recognizing zones of equivalent health status will keep Canada in line with WTO regulations.

Northwest Cattle Project

Preliminary data to the end of January 2000 show U.S. exports of feeder cattle to Canada under the Northwest Cattle Project exceeding 120,000 head in the six-month season that began October 1, 1999. The level compares with 51,009 head total for all of the 1998/99 season which runs into March each year. Bolstered by strengthening feeder cattle prices, the estimated current value of U.S. feeder cattle exports under the program is approximately $75.0 million. The majority of the cattle originate from Montana, but Alaska, North Dakota, Idaho, Washington and Hawaii, are also approved for participation in the program. For more details see CA9140, 12/22/99.

Section II. Swine and Pork

Hog Numbers

Statistics Canada reported that total Canadian hog numbers on October 1, 1999 slipped 2.8% below the year earlier level on that date. When the January 1, 2000 inventory numbers are released by Statistics Canada on February 17, 2000, the total inventory may show only slight change before increasing throughout 2000 and 2001. The late 1990s were not as profitable for Canadian hog producers as earlier in the decade and weaker prices in 1998 and 1999 witnessed the exit of many smaller producers. The development caused a temporary lull in hog numbers expansion which is expected to change over the next couple of years as industry investment increases. Based on the weaker reproductive contribution of their herds, the small producers who exited the industry don't seem to be missed. Strong increases in the measure of pigs per sow are evident reflecting the high management skills of the larger hog operations.

PSD Table					Date: 1/30/00*	
Country	Canada					
Commodity	Animal Numbers, Swine				(1000 HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
TOTAL Beginning Stocks	11985	11985	12402	12403	13164	12300
Sow Beginning Stocks	1233	1229	1247	1248	1285	1265
Production (Pig Crop)	22378	22542	25000	23400	25500	24200
Intra EC Imports	0	0	0	0	0	0
Other Imports	9	9	25	8	50	50
TOTAL Imports	9	9	25	8	50	50
TOTAL SUPPLY	34372	34536	37427	35811	38714	36550
Intra EC Exports	0	0	0	0	0	0
Other Exports	4123	4123	3800	3800	3200	3000
TOTAL Exports	4123	4123	3800	3800	3200	3000
Sow Slaughter	420	0	430	0	440	0
OTHER SLAUGHTER	16497	16999	19070	18655	20274	19700
Total Slaughter	16917	16999	19500	18655	20714	19700
Loss	930	1011	963	1056	1000	1150
Ending Inventories	12402	12403	13164	12300	13500	12700
TOTAL DISTRIBUTION	34372	34536	37427	35811	38414	36550
Calendar Yr. Imp. from U.S.	9	9	25	8	50	50
Calendar Yr. Exp. to U.S.	4122	4122	3800	3799	3200	3200
***Note: Official Statcan inventory revisions to be released on Feb. 17, 2000**						

Pork Production

Driven by higher hog numbers in the first half of 1999 and lower exports of slaughter hogs to the United States throughout the year, Canadian pork production in 1999 rose almost 12 percent above the 1998 level. Further increases in domestic pork production in 2000 and 2001 are expected to average between 6.0-9.0% reflecting hog processing expansion, further increases in the number of hogs remaining in Canada to be slaughtered, and strong demand for Canadian pork in the United States and Asian markets.

PSD Table						
Country	Canada					
Commodity	Meat, Swine				(1000 MT CWE)(1000 HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Slaughter (Reference)	16917	16999	963	18655	1000	19700
Beginning Stocks	20	20	25	33	35	34
Production	1330	1338	1525	1500	1620	1620
Intra EC Imports	0	0	0	0	0	0
Other Imports	63	63	45	67	40	66
TOTAL Imports	63	63	45	67	40	66
TOTAL SUPPLY	1413	1421	1595	1600	1695	1720
Intra EC Exports	0	0	0	0	0	0
Other Exports	432	432	550	560	610	610
TOTAL Exports	432	432	550	560	610	610
Human Dom. Consumption	818	818	860	856	897	920
Other Use, Losses	138	138	150	150	155	155
TOTAL Dom. Consumption	956	956	1010	1006	1052	1075
Ending Stocks	25	33	35	34	33	35
TOTAL DISTRIBUTION	1413	1421	1595	1600	1695	1720
Calendar Yr. Imp. from U.S.	56	56	40	40	36	36
Calendar Yr. Exp. to U.S.	268	268	360	360	380	380

Hog Processing Developments

North American pork packers have targeted western Canada as a region for low cost hog production and pork processing expansion. Increased western Canadian hog slaughter in the early 2000s can be expected to be the result of a reduction in the number of Canadian live slaughter hogs to the U.S., potential demand by pork processors for U.S. slaughter hogs (granted improved access to Canada under revised animal health import regulations in October 1999) and increased investment in pork production facilities by producers with additional acquisitions in the processing sector and alliances in the animal feed/hog production sector.

The recent expansion of hog slaughter facilities in western Canada at Fletcher's Fine Foods (Alberta), J.M. Schneider (Manitoba) and Maple Leaf Foods (Manitoba and Alberta) is expected to result in stronger competition among existing hog packers for live hogs. The unfolding situation with regard to western Canadian hog supply may lead to: 1) demand by Canadian pork processors for U.S. slaughter hogs granted improved access to Canada under revised animal health import regulations in October 1999; 2) reduced exports of Canadian live hogs to the United States; 3) expansion in pork production facilities and further rationalization in Canada's pork packing industry leading to additional acquisitions in the processing sector and additional alliances in the animal feed/hog production sector.

Slaughter expansion

J.M. Schneider Corporation shifted its hog slaughter operations from Kitchener Ontario to Winnipeg Manitoba. In addition to its existing slaughter operation in Winnipeg, Schneiders purchases hog carcasses for its Winnipeg cutting plant from at least two other major hog killing plants in Manitoba. Early in 1999, J.M. Schneider was bought by Smithfield Foods. The modern J.M. Schneider cutting plant at Winnipeg may be augmented by the construction of additional new hog slaughter facilities. In April 1999, Schneider Corporation acquired one-third of Mitchell's Gourmet Foods Inc. (Saskatoon) and entered into an alliance to proceed jointly with a C$50 million expansion at Mitchell's Saskatoon pork processing operations (CA9102; 8/24/99). Fletcher's Alberta modernized its processing line, and in addition to the construction of it's new Brandon plant, Maple Leaf Foods converted a beef plant in Lethbridge, Alberta to a specialty hot skinning hog plant. Shortly, Maple Leaf Foods will complete the transfer of its hog slaughter at the Winnipeg plant to the new plant in Brandon. The company also expanded and modernized its Burlington, Ontario plant. As a result of the above expansions, current Canadian hog slaughter capacity is roughly estimated at about 365,000-380,000 per week, up about 20,000 to 25,000 head from a year earlier.

Provincial and Regional Shares of Canadian Hog Slaughter

The table below shows provincial and regional shares of Canadian federally inspected hog slaughter during the period 1995-1999. In the five years ending 1999, only B.C.'s hog slaughter declined. Manitoba and Quebec showed the largest increases over the period. Labor strife adversely impacted Ontario and Alberta mostly in 1998 and early 1999.

Canada: Federally Inspected Hog Slaughter								
# head								
	1995	of		1996	1997	1998	1999	of
		total..						total..
B.C.	447,699	3%		326,094	191,887	197,897	208,336	1%
Alberta	2,056,558	14%		1,997,809	2,071,795	1,414,342	1,951,605	11%
Sask	848,544	6%		866,647	874,906	1,014,176	982,893	6%
Man.	1,885,753	13%		1,823,757	1,960,600	2,692,474	2,937,469	17%
West	5,238,554	36%		5,014,307	5,099,188	5,318,889	6,080,303	35%
Ontario	3,642,412	25%		3,006,597	2,653,340	2,710,233	3,508,452	20%
Quebec	5,196,579	36%		5,562,562	5,991,051	7,064,171	7,453,702	42%
Atlantic	468,712	3%		464,126	461,352	478,743	515,724	3%
East	9,307,703	64%		9,033,285	9,105,743	10,253,147	11,477,878	65%
Canada	14,546,257			14,047,592	14,204,931	15,572,036	17,558,181	
Source: Agriculture & Agri-Food Canada								

Prices

As shown below, average Canadian hog prices in 1998 and 1999 were well below the highs of 1997. However, lower feed grain prices and the restructuring of hog farms into larger operations has meant that profitability can be realized at current prices. It is interesting to note that Manitoba prices, which are traditionally lower than Ontario hog prices, have posted gains over Ontario levels since the opening of the modern Maple Leaf plant at Brandon) in the fall of 1999. Some analysts believe that competition for hogs among western Canadian hog packers will result in increasingly stronger prices for Western Canadian hog producers in the months ahead.

Canada: Slaughter Hog Prices; Ontario & Manitoba

Units: $C/kilogram; index 100 dressed

	ONTARIO				MANITOBA			
	1997	1998	1999	2000	1997	1998	1999	2000
January	1.87	1.27	0.87	1.33*	1.80	1.26	1.01	1.35*
February	1.88	1.30	1.06		1.79	1.27	1.14	
March	1.77	1.27	1.05		1.69	1.23	1.05	
April	1.97	1.32	1.10		1.85	1.25	na	
May	2.11	1.62	1.38		2.00	1.55	na	
June	2.10	1.66	1.30		1.99	1.56	1.29	
July	2.14	1.47	1.22		2.07	1.33	1.22	
August	2.04	1.39	1.38		1.95	1.26	1.42	
September	1.82	1.12	1.25		1.78	1.11	1.32	
October	1.70	1.12	1.25*		1.64	1.05	1.32*	
November	1.63	0.68	1.24*		1.60	0.68	1.30*	
December	1.51	0.50	1.35*		1.52	0.57	1.40*	
Average	1.87	1.21	1.19*		1.79	1.17	1.24	

*estimated

Source: AgCan; Livestock Mkt. Review

Pork Trade

Product Weight Exports

Canadian pork exports in the first ten months of 1999 ran 30% above the level for the comparable period a year ago. Exports to the United States and Japan during the period were up 29% and 27% respectively. In carcass weight terms, post forecasts total Canadian pork exports to exceed 600,000 metric tons for the first time during 2000. In 2000 and beyond, increasing Canadian hog slaughter and processing capacity will result in a strengthening of Canada's position as a leading pork exporter.

Canadian Pork Exports						
1996-1998 Calendar Years; '98 & '99 Jan-October Comparisons for Top Markets						
Units: Metric Tons Product Weight						
Excludes Processed categories which are only partially comprised of pork						
				1998	1999	% chng.
	1996	1997	1998	10 mos	10 mos.	99/98
World	292,844	322,657	332,141	267,427	346,475	30%
United States	188,432	188,196	214,146	169,425	218,741	29%
Japan	50,940	66,564	53,393	44,624	56,889	27%
Russia	16,799	14,161	9,126	8,835	536	-94%
Hungary	1,967	3,041	7,263	7,034	615	-91%
New Zealand	3,703	4,703	6,692	5,081	6,121	20%
Hong Kong	4,016	6,384	6,499	5,277	4,322	-18%
Australia	3,661	6,921	5,891	4,184	10,264	145%
Poland	4,724	4,471	4,023	3,669	2,655	-28%
Cuba	2,645	1,847	3,966	3,163	3,828	21%
Korea, South	4,631	10,712	2,569	2,158	14,203	558%
Philippines	1,439	3,945	2,065	1,850	3,810	106%
Taiwan	1,395	111	1,980	777	6,811	777%
Argentina	0	25	1,778	1,153	158	-86%
Mexico	612	1,027	1,439	1,133	8,522	652%
Jamaica	380	961	1,113	788	904	15%
Trinidad-Tobago	826	962	1,067	1,007	784	-22%
Estonia	252	971	929	616	318	-48%
China, P. Rep.	239	399	811	652	700	7%
Slovakia	217	586	802	632	364	-42%
Chile	320	268	703	631	1,010	60%
All Others	5,646	6,402	5,884	4,738	4,923	4%

HS Codes						
0203	Pork, fresh, chilled or frozen					
0210.11	Hams,cured					
0210.12	Bellies					
0210.19	Swine meat, cured					
1604.41	Prepared hams & cuts					
1604.42	Prepared shoulders & cuts					
1604.49	Other prepared pork cuts					
Source: Canadian Trade Analyzer						

Canada Pork International

Established in 1991, Canada Pork International (CPI) is the export promotion agency of the Canadian pork industry. It is a joint initiative of the Canadian Meat Council, representing pork packers and trading companies, and of the Canadian Pork Council, the national hog producer organization. The CPI as been specifically established to:

- provide foreign customers with information on Canadian pork products and on the Canadian pork industry;
- work with the Canadian Government and Canada's trading partners to resolve specific foreign market access issues impacting on Canadian pork exports;
- develop, coordinate and implement the generic international promotional efforts of the Canadian pork industry; and
- keep the Canadian industry appraised of changes taking place in export markets.

Accordingly, the activities of Canada Pork International are primarily focused on promotional activities, developing promotional material, investigating and reporting on export market opportunities and, on informing foreign customers on the availability of Canadian pork products.

Total Carcass Weight Exports; Pork

Canada: Total Pork Exports							
January to October, 1999		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
		1998	1999		1998	1999	%
Code	Description	MT	MT	conv.	MT	MT	Chg.
0203.11.00	Pork Carcasses	9,630	10,306	1.10	10,593	11,337	7%
0203.12.10	Hams, Bone-in	26,648	35,913	1.10	29,313	39,504	35%
0203.12.20	Sholdr.& cuts bone-in	13,856	15,188	1.10	15,242	16,707	10%
0203.19.10	Spare ribs	342	1,049	1.10	376	1,154	207%
0203.19.91	Bellies	15,406	24,817	1.23	18,949	30,525	61%
0203.19.99	Other	67,788	84,549	1.40	94,903	118,369	25%
0203.21	Pork Carcasses, frz.	120	479	1.10	132	527	299%
0203.22	Hams, Shoulders	8,928	12,968	1.10	9,821	14,265	45%
0203.29	Cuts, n.e.s., frz.	91,207	117,166	1.40	127,690	164,032	28%
0210.11.10	Hams and Cuts, cured	66	920	1.10	73	1,012	1294%
0210.11.20	Shoulders & Cuts	412	880	1.10	453	968	114%
0210.12.10	Side Bacon	8,490	13,719	1.10	9,339	15,091	62%
0210.12.90	Other	287	491	1.10	316	540	71%
0210.19.10	Back Bacon	727	489	1.10	800	538	-33%
0210.19.90	Other	2,315	2,034	1.10	2,546	2,237	-12%
1601.00.10	In Airtight Cont.(50%)	693	300	0.85	295	255	-13%
1601.00.90	Other (50%)	11,950	8,809	0.85	5,079	7,488	47%
1602.10.00	Homogenized Preps.	66	202	0.80	53	162	206%
1602.41.10	Hams in Airtight Cont.	9,864	11,829	1.40	13,810	16,561	20%
1602.41.90	Other	3,264	3,840	1.40	4,570	5,376	18%
1602.42.10	Shouldr. in Air.Cont.	676	1,783	1.40	946	2,496	164%
1602.42.90	Other	1,563	1,241	1.40	2,188	1,737	-21%
1602.49.00	Other	6,338	6,976	0.50	3,169	3,488	10%
	Total Pork Exports	280,636	355,948		350,654	454,368	30%
Source: World Trade Atlas							

Carcass Weight Exports of Pork to the U.S.

Canada: Total Pork Exports to the U.S.							
January to October, 1999		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
		1998	1999		1998	1999	%
Code	Description	MT	MT	conv.	MT	MT	Chg.
0203.11.00	Pork Carcasses	8,884	9,371	1.10	9,772	10,308	5%
0203.12.10	Hams, Bone-in	25,754	35,567	1.10	28,329	39,124	38%
0203.12.20	Sholdr.& cuts bone-in	13,273	14,072	1.10	14,600	15,479	6%
0203.19.10	Spare ribs	293	943	1.10	322	1,037	222%
0203.19.91	Bellies	13,945	23,379	1.23	17,152	28,756	68%
0203.19.99	Other	56,127	70,120	1.40	78,578	98,168	
0203.21	Pork Carcasses, frz.	0	0	1.10	0	0	
0203.22	Hams, Shoulders	2,984	4,149	1.10	3,282	4,564	39%
0203.29	Cuts, n.e.s., frz.	22,706	26,701	1.40	31,788	37,381	18%
0210.11.10	Hams and Cuts, cured	63	27	1.10	69	30	-57%
0210.11.20	Shoulders & Cuts	412	876	1.10	453	964	113%
0210.12.10	Side Bacon	7,750	12,779	1.10	8,525	14,057	65%
0210.12.90	Other	149	308	1.10	164	339	107%
0210.19.10	Back Bacon	689	441	1.10	758	485	-36%
0210.19.90	Other	1,115	876	1.10	1,226	964	-21%
1601.00.10	In Airtight Cont.(50%)	89	62	0.85	38	53	39%
1601.00.90	Other (50%)	1,684	1,672	0.85	716	1,421	99%
1602.10.00	Homogenized Preps.	0	0	0.80	0	0	
1602.41.10	Hams in Airtight Cont.	9,858	11,788	1.40	13,801	16,503	20%
1602.41.90	Other	3,151	3,673	1.40	4,411	5,142	17%
1602.42.10	Shouldr. in Air.Cont.	676	1,783	1.40	946	2,496	164%
1602.42.90	Other	1,223	208	1.40	1,712	291	-83%
1602.49.00	Other	795	1,767	0.50	398	884	122%
	Totals	171,620	220,562		217,043	278,446	28%
Source: World Trade Atlas							

Pork Imports

Total Pork Imports							
January to October 1999							
		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
Code	Description	1998	1999	conv.	1998	1999	%
		MT	MT		MT	MT	Chg.
0203.11.00.00	Carcasses	3	15	1.10	3	16	400%
0203.12.00.00	Hams & Shoulders	2,593	2,760	1.10	2,852	3,036	6%
0203.19.00.10	Spare Ribs	142	62	1.10	156	68	-56%
0203.19.00.20	Back Ribs	119	335	1.10	131	368	182%
0203.19.00.91	Cuts, proces'd n.e.s.	5,240	3,312	1.23	6,445	4,074	-37%
0203.19.00.99	Other	11,320	10,651	1.40	15,848	14,911	-6%
0203.21.00.00	Carcasses, frozen	0	0	1.10	0	0	
0203.22.00.00	Hams & Shoulders, frz.	453	196	1.10	498	216	-57%
0203.29.00.10	Spare Ribs, frozen	542	1,130	1.10	596	1,243	108%
0203.29.00.20	Back Ribs, frozen	3,301	2,651	1.10	3,631	2,916	-20%
0203.29.00.90	Cuts, frozen, n.e.s.	10,849	10,491	1.10	11,934	11,540	-3%
0210.11.00.00	Hams & Shldrs, bone-in	1,036	2,190	1.10	1,140	2,409	111%
0210.12.00.00	Bellies	6	736	1.10	7	810	12167%
0210.19.10.00	Salt Pork in Barrels	5	5	1.10	6	6	0%
0210.19.00.90	Pork Cured, n.e.s.	1,210	1,142	1.10	1,331	1,256	-6%
1601.00.19.00	Sausage;Air.Cont.(50%)	99	193	0.85	42	164	290%
1601.00.90.10	Other Pork Sausage	1,902	1,856	0.85	1,617	1,578	-2%
1601.00.90.91	Salami (50%)	345	318	1.10	190	350	84%
1601.00.90.92	Weiners (10%)	2,661	1,567	0.80	213	1,254	489%
1601.00.90.93	Sausage, Other (10%)	863	663	0.85	73	564	668%
1601.00.90.94	Saus., cured (50%)	2,231	3,245	1.10	1,227	3,570	191%
1601.00.90.99	Other (50%)	2,756	2,794	0.85	1,171	2,375	103%
1602.10.90.00	Preparations, Other	35	17	0.80	28	14	-51%
1602.41.10.00	Hams in Airtight Cont.	144	105	1.40	202	147	-27%
1602.41.90.00	Hams, other	718	505	1.40	1,005	707	-30%
1602.42.10.00	Shouldrs. in Air.Cont.	361	291	1.40	505	407	-19%

1602.42.90.00	Shoulders, other	82	46	1.40	115	64	-44%
1602.49.10.20	Prepared Meals	330	680	0.50	165	340	106%
1602.49.10.11	Luncheon Meat	478	481	0.50	239	240	1%
1602.49.10.19	Other	99	233	0.50	50	116	135%
1602.49.90.00	Other	2,183	1,993	0.50	1,092	996	-9%
	Re-Exports (minus)	na	na	1.40	na	na	
	TOTAL PORK IMPORTS	52,106	50,663		52,511	55,755	6%
Source: World Trade Atlas							

Pork Imports from the United States

Total Pork Imports from the U.S.							
January to October 1999							
		Product Wt.	Product Wt.		Carcass Wt.	Carcass Wt.	
Code	Description	1998	1999	conv.	1998	1999	%
		MT	MT		MT	MT	Chg.
0203.11.00.00	Carcasses	3	15	1.10	3	16	400%
0203.12.00.00	Hams & Shoulders	2,570	2,745	1.10	2,827	3,020	7%
0203.19.00.10	Spare Ribs	142	12	1.10	156	13	-92%
0203.19.00.20	Back Ribs	119	236	1.10	131	260	98%
0203.19.00.91	Cuts, proces'd n.e.s.	5,240	3,312	1.23	6,445	4,074	-37%
0203.19.00.99	Other	11,310	10,649	1.40	15,834	14,909	-6%
0203.21.00.00	Carcasses, frozen	0	0	1.10	0	0	
0203.22.00.00	Hams & Shoulders, frz.	436	196	1.10	480	216	-55%
0203.29.00.10	Spare Ribs, frozen	270	129	1.10	297	142	-52%
0203.29.00.20	Back Ribs, frozen	110	81	1.10	121	89	-26%
0203.29.00.90	Cuts, frozen, n.e.s.	10,452	9,992	1.10	11,497	10,991	-4%
0210.11.00.00	Hams & Shldrs, bone-in	1,005	2,106	1.10	1,106	2,317	110%
0210.12.00.00	Bellies	6	736	1.10	7	810	12167%
0210.19.00.10	Salt Pork in Barrels	5	5	1.10	6	6	0%
0210.19.00.90	Pork Cured, n.e.s.	1,202	1,059	1.10	1,322	1,165	-12%
1601.00.19.00	Sausage;(50%)	79	172	0.85	34	146	335%
1601.00.90.10	Other Pork Sausage	1,902	1,856	0.85	1,617	1,578	-2%
1601.00.90.91	Salami (50%)	345	318	1.10	190	350	84%
1601.00.90.92	Weiners (10%)	2,661	1,567	0.80	213	1,254	489%
1601.00.90.93	Sausage, Other (10%)	863	663	0.85	73	564	668%
1601.00.90.94	Saus., cured (50%)	2,231	3,245	1.10	1,227	3,570	191%
1601.00.90.99	Other (50%)	2,755	2,791	0.85	1,171	2,372	103%
1602.10.90.00	Preparations, Other	35	17	0.80	28	14	-51%
1602.41.10.00	Hams in Airtight Cont.	80	87	1.40	112	122	9%
1602.41.90.00	Hams, other	635	461	1.40	889	645	-27%
1602.42.10.00	Sholdrs. in Air.Cont.	5	0	1.40	7	0	-100%
1602.42.90.00	Sholders, other	82	46	1.40	115	64	-44%

1602.49.10.20	Prepared Meals	303	680	0.50	152	340	124%
1602.49.10.11	Luncheon Meat	404	425	0.50	202	212	5%
1602.49.10.19	Other	98	231	0.50	49	116	136%
1602.49.90.00	Other	2,183	1,993	0.50	1,092	996	-9%
	Re-Exports (minus)	na	na	1.40	na	na	
TOTAL PORK IMPORTS		47,531	45,825		47,400	50,368	6%
Source: World Trade Atlas							

Live Hog Exports

Canadian Exports of Live Hogs (Feeder) to the United States to November 1999				
010391-Swine, live except pure-bred breeding weighing less than 50 kg				
				% chng
		1998	1999	Jan. - Nov. 99
		# of Head	# of Head	compared
	January	87,480	147,343	Jan. - Nov. 98
	February	92,688	135,997	
	March	121,748	169,132	
	April	121,504	175,627	
	May	99,067	178,182	
	June	125,032	194,496	
	July	128,166	163,094	
	August	132,658	179,048	
	September	140,748	206,444	
	October	136,742	172,720	
	November	128,238	183,071	
	December	152,006		
	Total (A)	1,466,077	1,722,083	31.0%
Canadian Exports of Live Hogs (Slaughter) to the United States				
010392-Swine, live except pure-bred breeding weighing 50 kg or more(Slaughter)				
		1998	1999	% chng
		# of Head	# of Head	Jan. - Nov. 99
	January	294,134	238,132	compared
	February	229,517	150,520	Jan. - Nov. 98
	March	229,918	157,382	
	April	180,922	139,096	
	May	234,227	138,150	
	June	237,549	168,051	
	July	246,273	148,724	
	August	207,943	186,649	
	September	201,104	179,934	
	October	205,880	196,721	
	November	168,745	169,228	
	December	219,660		
	Total (B)	2,655,872	1,703,359	-30.1%
Feeder + Slaughter (A+B)		4,121,949	3,425,442	

Policy: Hogs & Pork

On October 7, 1999 the Canadian Food Inspection Agency (CFIA) amended regulations under Canada's Health of Animals Act to simplify import requirements for slaughter hogs from pseudorabies-free states in the United States. The Canadian live swine import regulations are part of the December 4, 1998 U.S./Canada Record of Understanding which laid out a set of initial measures to further open Canadian markets to U.S. farm and ranch products. Canada made initial changes to its animal health regulations in December 1998, but certain barriers related to procedures for the handling and distribution of hogs remained in place. The new regulations streamline the procedures and address other hog handling and waste removal issues.

According to the CFIA, only one hog plant (in Ontario) has been approved by the CFIA to import U.S. slaughter hogs onto its premises for slaughter. However, the company has not applied for any import permits to bring in U.S. hogs. Industry contacts claim that current U.S. hog market price levels make it economically unfeasible import U.S. slaughter hogs.

Section III. By-Products

PSD Table						
Country	Canada					
Commodity	By-Products,Tallow & Grease				(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	0	0	0	0	0	0
Production	265	265	278	285	276	290
Intra EC Imports	0	0	0	0	0	0
Other Imports	41	41	42	43	44	44
TOTAL Imports	41	41	42	43	44	44
TOTAL SUPPLY	306	306	320	328	320	334
Intra EC Exports	0	0	0	0	0	0
Other Exports	221	221	210	265	205	255
TOTAL Exports	221	221	210	265	205	255
Domestic Consumption	85	85	110	63	115	79
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	306	306	320	328	320	334
Calendar Yr. Imp. from U.S.	41	41	42	42	44	44
Calendar Yr. Exp. to U.S.	49	39	45	44	40	40

Tallow Imports

Canadian Tallow Imports							
1996--1998 Calendar Years; 1999 data is Jan.- October							
Units: metric tons							
HS=1502							
					10 mos.	10 mos.	%chng
	1996	1997	1998		1998	1999	99/98
United States	54,919	43,115	41,356		34,409	35,089	2%
France	0	4	4		4	2	-50%
China, P. Rep.		2	1		1	2	100%
Total	54,919	43,121	41,361		34,414	35,113	2%
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Tallow Exports

Canadian Tallow Exports								
1996-1998 Calendar Years; 1999 data is Jan. - October								
Units: Metric Tons								
HS 1502						January to	January to	%
						October	October	change
Rank	Country	1996	1997	1998		1998	1999	99/98
0	-- The World ---	190,871	207,696	221,142		172,135	218,643	27%
1	Belgium	17,720	69,877	48,507		34,495	36,910	7%
2	Japan	52,877	46,811	42,101		33,540	32,848	-2%
3	United States	24,685	44,989	39,126		34,668	38,861	12%
4	Netherlands	59,744	24,488	26,156		24,656	14,254	-42%
5	China, P. Rep.	18,453	1,788	21,322		14,483	51,190	253%
6	Mexico	0	0	17,485		14,489	2,003	-86%
7	Korea, South	15,195	7,378	11,558		10,257	3,279	-68%
8	Senegal	0	0	7,140		0	16,265	
9	Australia	0	0	5,003		5,003	0	-100%
10	Taiwan	0	0	1,201		201	4,001	1893%
	All Others	2,196	12,365	1,544		345	19,031	5413%
Source: World Trade Atlas								

Bovine Hides & Skins

PSD Table						
Country	Canada					
Commodity	Hides & Skins, Bovine				(1000 MT)(1000 PCS)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Beginning Stocks	0	0	0	0	0	0
Production In MT	83	83	88	88	85	89
Production In Pieces	3616	3770	3825	4000	3700	4050
Intra EC Imports	0	0	0	0	0	0
Other Imports	42	42	38	34	39	36
TOTAL Imports	42	42	38	34	39	36
TOTAL SUPPLY	125	125	126	122	124	125
Intra EC Exports	0	0	0	0	0	0
Other Exports	90	86	85	83	85	85
TOTAL Exports	90	86	85	83	85	85
Domestic Consumption	35	39	41	39	39	40
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	125	125	126	122	124	125
Calendar Yr. Imp. from U.S.	39	39	37	37	38	34
Calendar Yr. Exp. to U.S.	52	50	50	50	49	55

Hides & Skins Imports

Canada: Bovine Hides & Skins, Imports						
1996-1998 Calendar Years; Jan. - October 1998 & 1999						
Units: thousand pieces						
HS=4101.10; 4101.21; 4101.22; 4101.30						
					10 mos.	10 mos.
	1996	1997	1998		1998	1999
United States	1,338	1,608	1,679		1,378	980
Canada*	99	78	104		86	144
Italy		13	27		14	35
Others	20	24	17		56	66
Total	1,457	1,722	1,827		1,534	1,225
Est. weight (TMT**)	33,521	39,598	42,015		35,282	28,175
*exported & re-imported; no product transformation.						
**based on average hide of 23 kg.						
hideim00.wk4-FAS/Ottawa-Source: World Trade Atlas						

Bovine Hide Exports

Canadian Exports of Bovine Hides, Whole							
HS 4101.10			Units: '000 Pieces				
					January to	January to	%
					October	October	change
Rank	Country	1996	1997	1998	1998	1999	99/98
0	-- The World ---	216	166	88	61	26	-56%
1	United States	172	106	39	25	11	-59%
2	Italy	33	27	38	24	15	-39%
3	Spain	3	17	11	11	0	-100%
	All Others	8	11	0	0	0	
Canadian Exports of Bovine Hides, Other							
HS 4101.21			Units: '000 Pieces				
					January to	January to	%
					October	October	change
Rank	Country	1996	1997	1998	1998	1999	99/98
0	-- The World ---	3,863	3,921	3,634	3,044	2,993	-2%
1	United States	2,082	1,973	2,008	1,665	1,596	-4%
2	Taiwan	639	887	613	531	449	-15%
3	Italy	181	147	241	207	154	-26%
4	China, P. Rep.	95	246	171	141	234	66%
5	Japan	158	192	112	112	45	-60%
6	Thailand	59	50	106	84	109	30%
7	Hong Kong	191	92	92	70	170	143%
8	Korea, South	283	201	73	57	102	79%
9	Algeria	11	0	41	21	34	67%
10	Portugal	54	25	34	29	35	22%
	All Others	110	108	142	127	64	-49%
Total estimated weight in metric tons							
based on average hide							
weight of 23 kg		93,807	94,005	85,605	71,400	69,446	-3%
Source: World Trade Atlas							

Exchange Rates: Prices and values in this report are expressed in Canadian dollars. Exchange rates are 1996, C$=US$.7334; 1997, C$=US$.7223; 1998, C$=.6743; 1999, approximately US$.6730; February 2000, approximately

US$ .6900.

Websites:

The following websites were mentioned in this report:

Agriculture and Agr-Food Canada:

http://www.agr.ca/newintre.html

Canadian Cattle Identification Agency:

http://www.cattle.ca/CCIA/

Recent Livestock Reports By the Office of Agricultural Affairs, Ottawa, Canada on the FAS webpage

Report Number	Title of Report	Date
CA9123	Live Hog Import Regulations Amended	10/13/99
CA9127	Cattle on Feed, October 1	10/22/99
CA9130	Changing Trade Flow for Hogs	11/22/99
CA9140	N.W. Cattle Project Update	12/22/99

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