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Report Highlights:

The Canadian cattle herd is forecast to enter the consolidation phase in 2026. Heifer retention practices in 2025 and a slight increase to the breeding herd to begin 2026 will support a slightly larger calf crop. Consequently, slaughter numbers and beef production are forecast to see stability following declines in 2025. Heifer retention and reduced cow culls will continue in 2026 in efforts towards a herd rebuild. The Canadian swine herd is also forecast to remain relatively stable in 2026. Slaughter is forecast to remain steady on steady pig crop numbers. Pork exports will continue to remain strong on sustained global demand.

Executive Summary:

Cattle

Production:

Heifer retention and reduced cow slaughter in 2025 will support a slight growth in beef cow beginning stocks in 2026. This slightly larger breeding herd will see the calf crop elevated in 2026 compared to 2025. Improved pasture conditions in several regions in 2025 has supported reduced cow slaughter and increased heifer retention leading to strong indicators of the cattle herd entering the consolidation phase. Consolidation will continue through 2026.

Trade:

Live cattle imports are forecast to decline slightly in 2026, following strong import performance in 2025. Tight North American supplies and high pricing will limit import potential despite feed prices moderating down slightly. Western Canada continues to have available feedlot pen space and feeders will still look to supplement numbers with U.S. feeder cattle imports. Beef-on-dairy feeder imports will remain desirable. Fed exports will remain strong in 2026 given tight U.S. supplies.

Beef

Production:

Beef production will see slight growth in 2026 with heavier carcass weights and slightly higher slaughter numbers. An improvement in the number of available animals should see packers less likely to pull cattle forward leading to a rebound in carcass weights. The recent trend amidst falling slaughter numbers has been heavier carcass weights to offset production losses. This is anticipated to return in 2026.

Trade:

Imports are forecast to see continued growth in 2026. High domestic prices and U.S. beef prices will support growth in imports from lower production regions. Growth in lean trim imports will also continue as consumers shift to purchase more ground beef products. Exports will remain steady on 2026, although there will be a continued focus to grow exports to the Indo-Pacific region.

Swine

Production:

Stability is forecast for the swine herd as producers seek to weather market volatility and concerns about export access. On a stable sow herd, the 2026 pig crop is forecast to remain relatively stable with the theme of stability as carrying through to slaughter numbers.

Trade:

Producers will be watching closely for impacts to live exports from the full implementation of “Product of USA”. Live exports are forecast down two percent primarily on the expectation of smaller numbers of market hog exports. Slaughter capacity utilization, especially in Western Canada, has increased and reductions in Eastern Canada are fully implemented which should see market hog exports rebalancing towards a more normal pace.

Pork

Production:

Pork production is forecast to remain relatively steady on 2025 volumes, as carcass weights and slaughter volumes remain stable. Domestic consumption will see small gains as consumers look for price savings and pork is priced competitively against beef.

Trade:

Pork exports are forecast to remain stable in 2026. Export gains will be likely in the Indo-Pacific while exports to the United States are forecast to fall on anticipated U.S. production growth.

Cattle:

Table 1- Production, Supply and Distribution Estimates

CANADA Animal Numbers CATTLE ('000 head)	2024		2025		2026	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Total Cattle Beg. Stocks	11,015	10,985	10,940	10,900	0	10,940
Dairy Cows Beg. Stocks	963	964	962	963	0	965
Beef Cows Beg. Stocks	3,420	3,412	3,379	3,357	0	3,380
Production (Calf Crop)	4,296	4,232	4,270	4,270	0	4,300
Total Imports	364	407	320	420	0	410
Total Supply	15,675	15,624	15,530	15,590	0	15,650
Total Exports	797	797	780	780	0	780
Cow Slaughter	428	428	420	400	0	380
Calf Slaughter	180	207	170	200	0	200
Other Slaughter	2,812	2,780	2,770	2,760	0	2,790
Total Slaughter	3,420	3,415	3,360	3,360	0	3,370
Loss	518	512	500	510	0	510
Ending Inventories	10,940	10,900	10,890	10,940	0	10,990
Total Distribution	15,675	15,624	15,530	15,590	0	15,650

Source: USDA, Foreign Agricultural Service using data from the Production, Supply, and Distribution System

Note: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

Cattle Production: Consolidation Phase is Entered

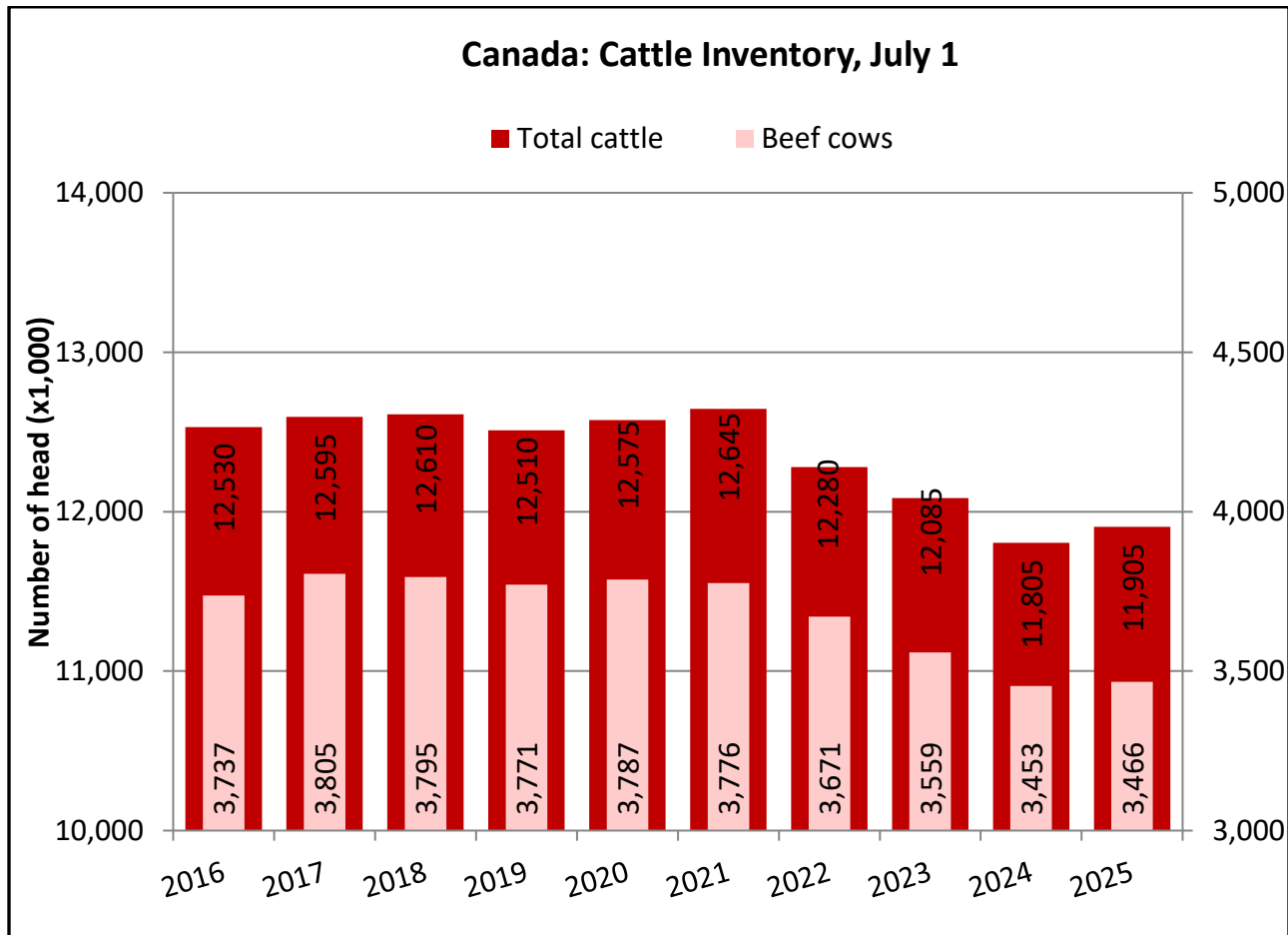
FAS/Canada forecasts that the cattle herd will be in the consolidation phase in 2026, with signs of consolidation initiating in 2025. Statistics Canada reported a two percent year-over-year growth in heifer retention intentions for beef replacement in the July 1 inventory report. Increased heifer retention was also indicated in the January 1 inventory report. Contacts report that improved pasture conditions and feed outlook are seeing cow-calf producers start to begin herd rebuilding. However, pasture conditions

are highly variable across the country as drought continues to persist in several regions. As a result, and given strong pricing incentives for aging producers to consider selling stock if there is no succession plan, FAS/Ottawa is forecasting that 2026 will largely be a stabilizing year for the Canadian herd. If pasture and feed conditions continue to improve, consolidation will move into a more meaningful rebuild of the breeding herd over the next few years.

In line with signals of consolidation, FAS/Canada forecasts that beef cow beginning stocks in 2026 will be up slightly by 23,000 head as a result of reduced cow slaughter and increased heifer retention in 2025. Reductions in cow slaughter in 2025 will carry over into 2026 as producers retain more animals amidst improved pasture and feed conditions. Profitability in the cow-calf sector with strong pricing in 2025 will also support producers seeking to stabilize their breeding herds with a further outlook to growth from 2026 onwards. However, the weather in 2026 will remain an important factor in breeding herd rebuild. For 2025, while the overall national herd appears to be entering the consolidation phase, there is a patchwork across the country with drier areas still reportedly seeing some herd liquidations while areas with better pasture conditions have begun to rebuild. Parts of Western Canada have seen timely summer moisture creating optimism for ranchers in those regions; however, drought conditions remain in large swaths of Saskatchewan and Manitoba. Parts of British Columbia, especially the interior, continue to see dry conditions along with southeastern Ontario and much of the Maritime Provinces. Overall, a reduction in cow slaughter to cow inventory will support a slight bump in breeding stock numbers in 2026. This pattern will continue through 2026, barring any significant drought events.

Along with reductions in cow slaughter, heifer slaughter will also be reduced in 2026, a consequence of increased heifer retention. Heifer retention struggled in 2024 as a result of poor pasture conditions and feed outlook. As mentioned, while conditions are highly variable by region, there is reportedly significant enough improvement in pasture conditions in enough regions of cow-calf production to see growth in heifer retention in 2025. Assuming pasture conditions continue to improve, 2026 will once again support increased heifer retention as producers seek to rebuild herds.

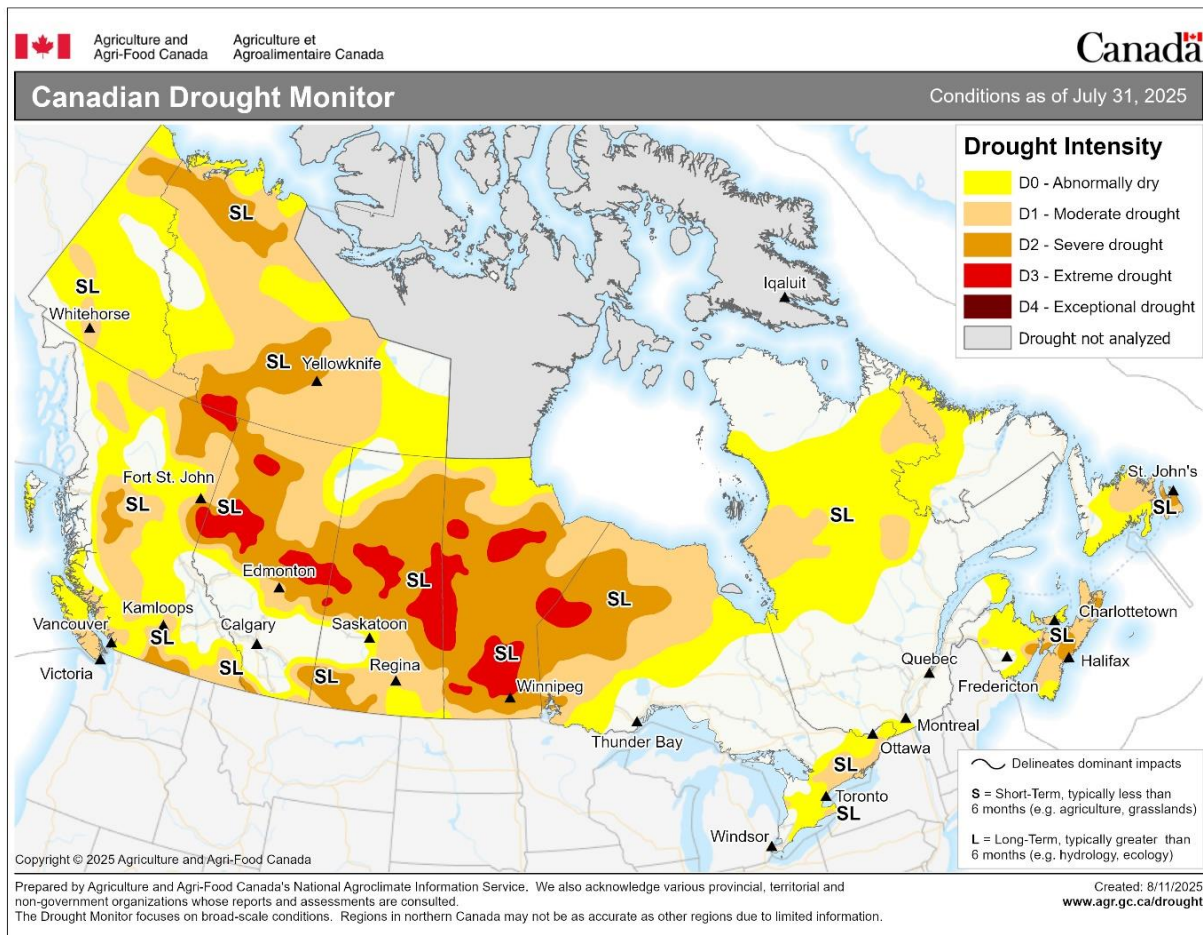
Figure 1- Canadian Cattle Inventory, July 1



Source: Statistics Canada

FAS/Ottawa is forecasting slight growth in the 2026 calf crop, on a slightly larger breeding herd in 2025. Despite a reduction in breeding stock reported in the January 1, 2025 inventory report, first half calf crop production was reported as two percent higher year-over-year by Statistics Canada. Herd liquidation and aggressive culling practices during drought years is likely supporting this improved fertility as cows found open (not in calf) during pregnancy checks and problematic stock would have been prime candidates for culling as producers looked to retain only proven cows. Improved feed conditions in 2025 should support strong fertility rates continuing into 2026.

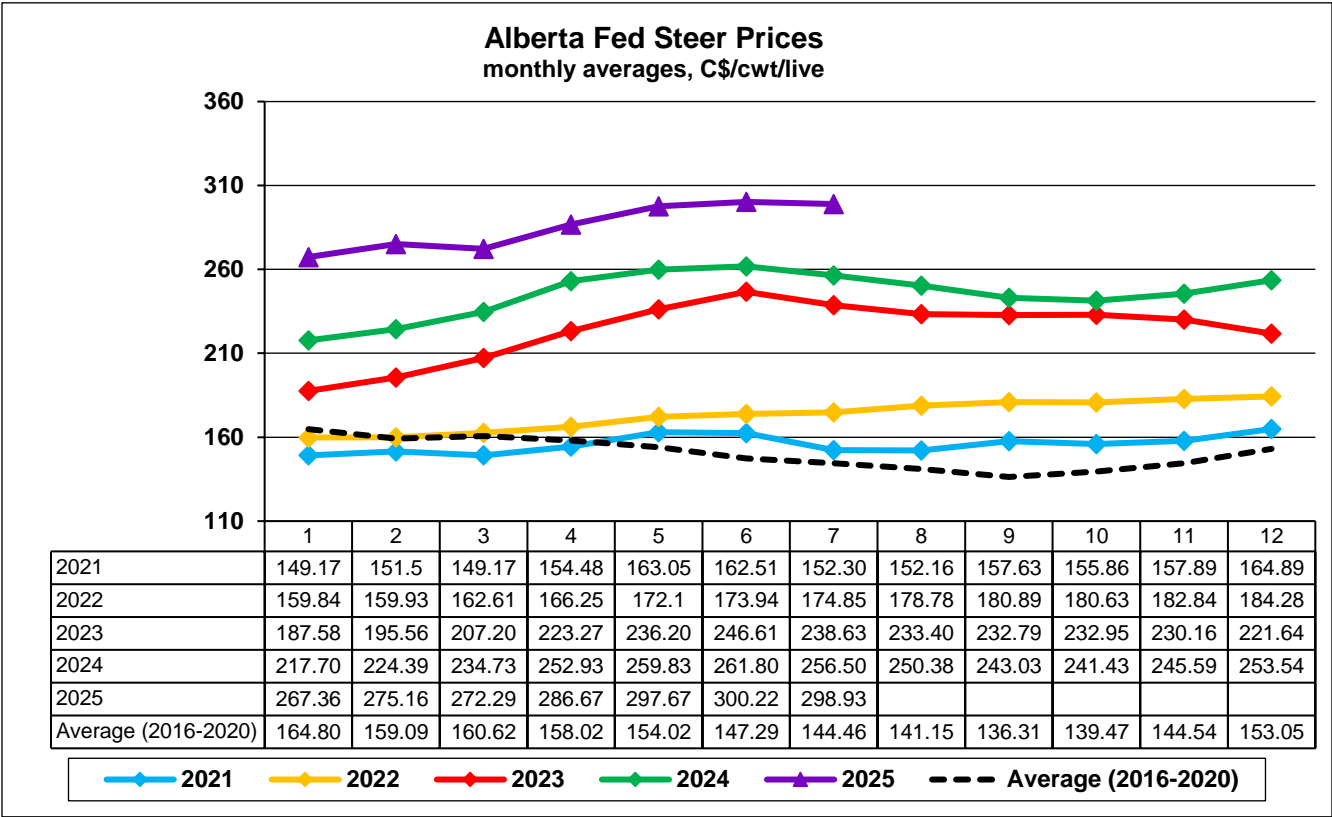
Figure 2 – Canadian Drought Monitor map, Conditions as of July 31, 2025



Source: Agriculture and Agri-Food Canada

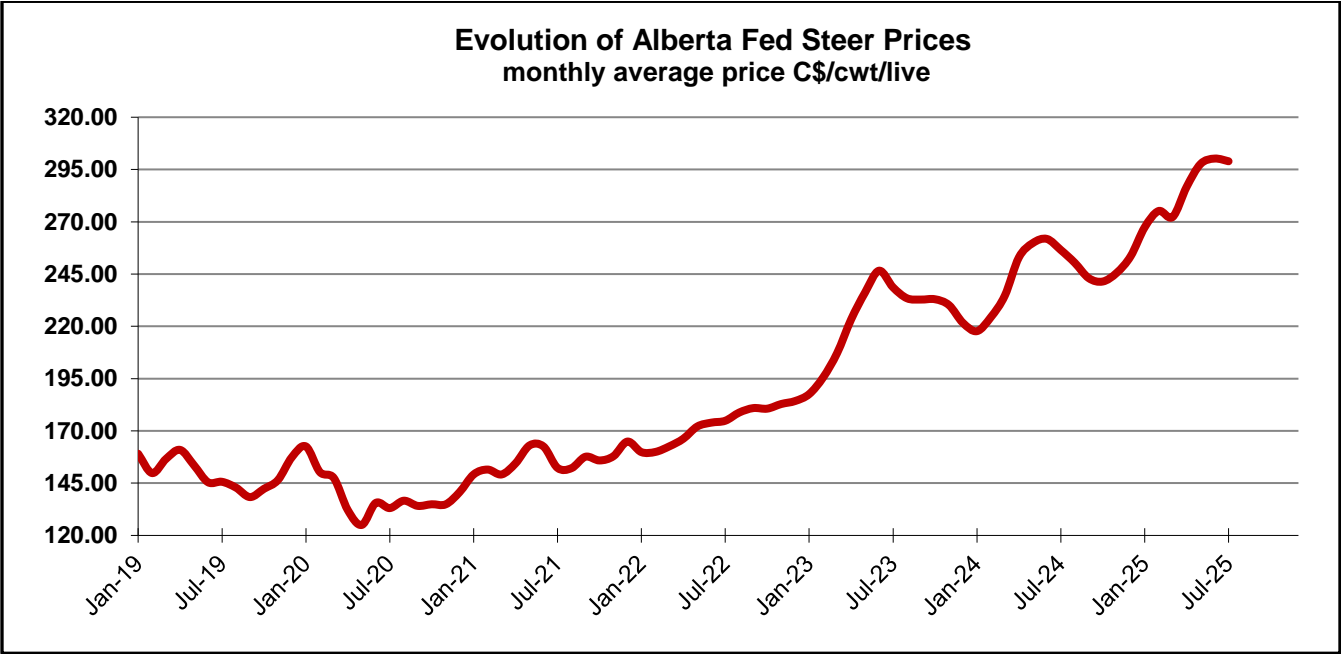
For 2025, FAS/Ottawa has revised cow slaughter down slightly on March estimates given year-to-date federal slaughter data and reports of increased retention. Despite Statistics Canada amending the beginning inventories of beef cattle downwards, FAS/Ottawa is maintaining the original calf crop estimate based off of first half calf crop initial data and reports of improved fertility. Statistics Canada also amended beginning total cattle inventories downwards by 40,000 head on a lowered calf crop from 2024 and reduced beef cow stocks.

Figure 3 – Monthly Average of Alberta Fed Steer Prices



Source: CanFax

Figure 4 – Evolution of Alberta Fed Steer Prices Since 2010



Source: CanFax

Live Cattle Trade: Imports Trend Down on Tight North American Supplies

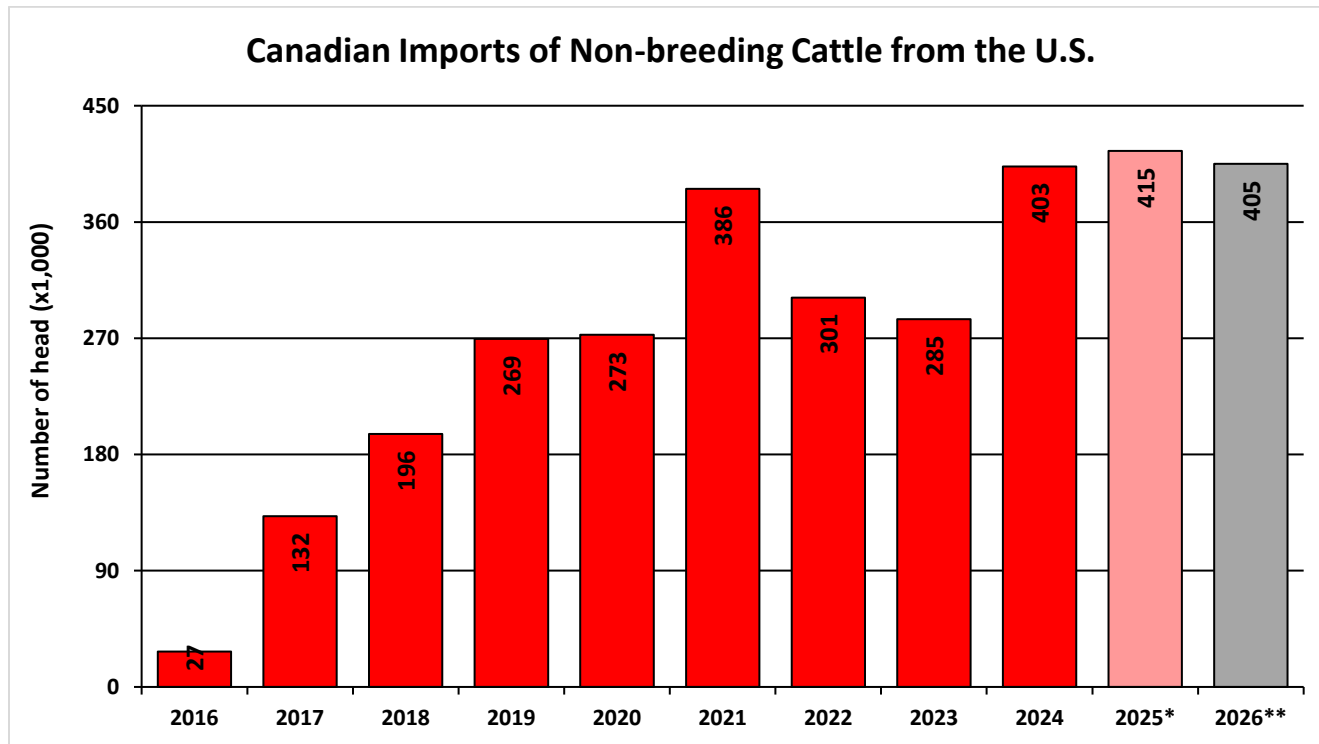
FAS/Ottawa forecasts a decline in live cattle imports in 2026 on tightened cattle supplies in North American, particularly from the United States. With the U.S.-Mexico border closure to live cattle as a result of the New World Screwworm and a smaller U.S. herd reported in July 2025, competition for feeder animals will be strong in 2026. Canada will have a slight improvement in domestic supply as the Canadian herd has seemingly entered consolidation in advance of the U.S. herd, but feeder cattle supplies will still be tight. However, Canadian feedlots have bunk space and have shown a strong indication for trying to keep pens as full as possible. While, Western Canada had a feed cost advantage through the first half of 2025, despite dwindling margins, feeders are still on pace to grow live imports of U.S. feeder cattle in 2025. While feed prices remain lower and forecast lower than 2024, U.S. feeders are likely to become more aggressive in retaining cattle with a strong U.S. corn forecast that will see lower corn prices into 2026 and given a gap in feeder availability without Mexican feeder cattle moving into the southern United States. Despite this, feeder cattle imports from the United States in 2026 should still be strong on the trend since 2017 where Canada has largely been a net feeder cattle importer. Currency arbitrage and Canadian feedlots sourcing less stereotypical feeder cattle has been a factor.

Canadian feedlots experimented with and found a niche market in feeding dairy steers in 2017. This trend continued for a few years and has now shifted into importing large numbers of beef-on-dairy animals. These are priced competitively against other feeder animals and while gain efficiency is a bit poorer, a mix of dairy-on-beef and traditional beef breed feeders can improve profit margins, especially as calf and cattle prices continue to set new records. Larger feedlots have seemingly found a balance in sourcing these cheaper U.S. feeders and will often economize freight logistics by picking up a load of feeder cattle after delivering a load of fed cattle into the United States.

FAS/Ottawa has revised the 2025 estimate for live cattle imports upwards given strong first half import activity. While this is anticipated to abate during the fall period as feed cost advantage shifts to the United States, imports are now forecast up over 2024 given that strong first half import activity and ongoing aggressive imports of feeder cattle. Canadian feeders appear eager to keep pen space filled and they have past experience in importing large volumes of U.S. corn as needed. It is expected that they will seek to keep importing beef-on-dairy for feeding and depending on U.S. corn prices, imports of cheaper U.S. corn may help feeding margins.

There is reportedly interest from Canadian feedlots in exploring opportunities to import feeder cattle from overseas given tight supplies and high prices between Canada and the United States. There are rumors that there are explorations on sourcing feeders from Australia and New Zealand. Feeders would still be looking to source *Bos taurus* types from any overseas market given carcass quality preferences of Canadian packers and climate conditions in Canada. Potentially Eastern Canada feeders would be more open to considering cattle with less cold weather tolerance given that feedlots tend to be sheltered, however, there is still an exposure element that would require animals robust enough to weather colder temperatures in the winter months.

Figure 6- Canadian Imports of Non-Breeding Cattle from the United States



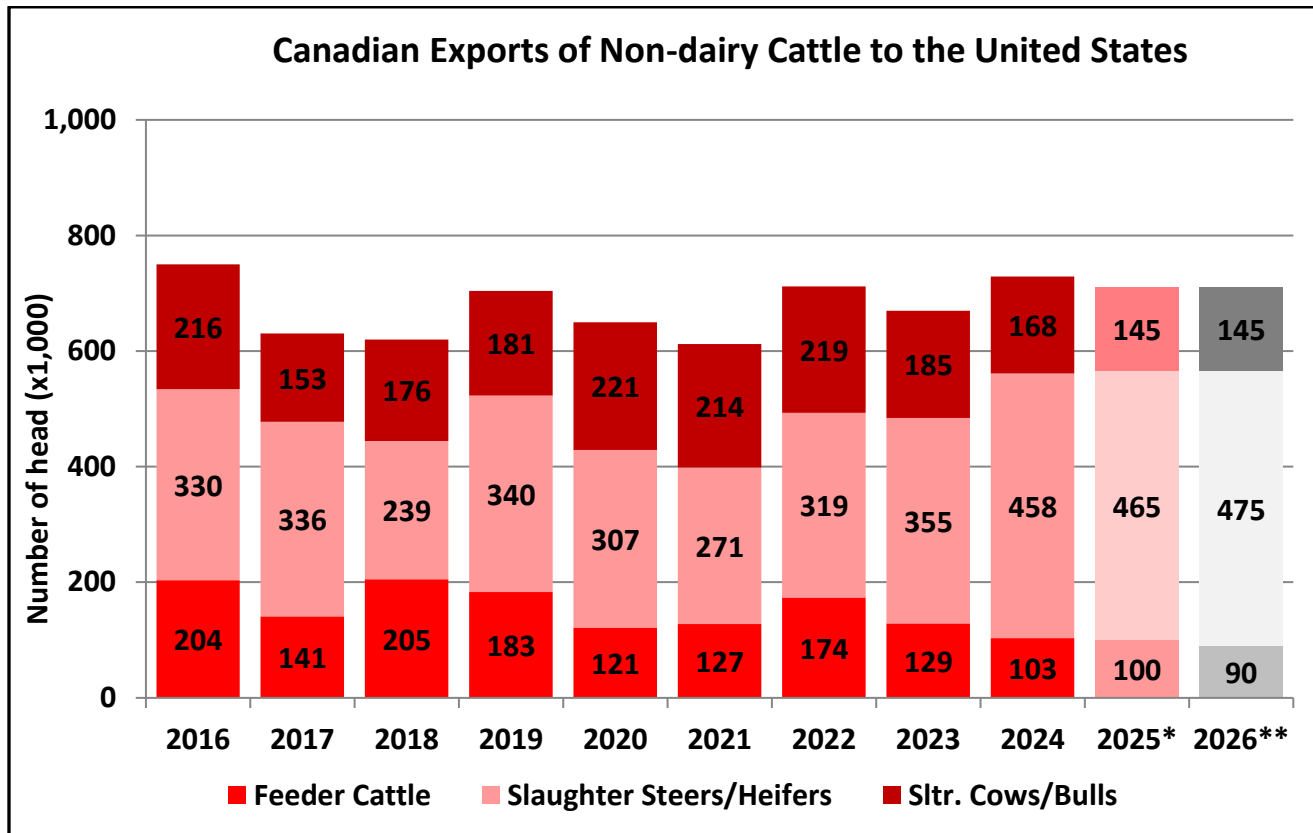
Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

FAS/Ottawa forecasts live exports to remain steady in 2026. A tighter supply in the United States should support fed exports along with a stagnant Canadian dollar. U.S. packers will be looking for supply given U.S. numbers and Canadian cattle have been a strong presence in certain plants for several years, supplementing local supply to support the viability of the plant. These fed cattle will be even more critical to U.S. packers in 2026. Canadian packers will still need to compete to maintain shifts and numbers and smaller imports of cattle for feeding will reduce availability of fed exports, especially in the back half of 2026, pending a shift in feed cost advantage or currency exchange. As Canada reduces cow culling, fewer cull cows will be exported to U.S. plants and increased heifer retention will see fewer slaughter heifer exports.

FAS/Ottawa has revised the 2025 live cattle export estimate up slightly. While feeder cattle exports have been off-pace compared to 2024, fed cattle exports have been strong through the first half of 2025. U.S. packer demand is likely to continue to support these exports.

Figure 6— Canadian Exports of Non-Dairy Cattle to the United States



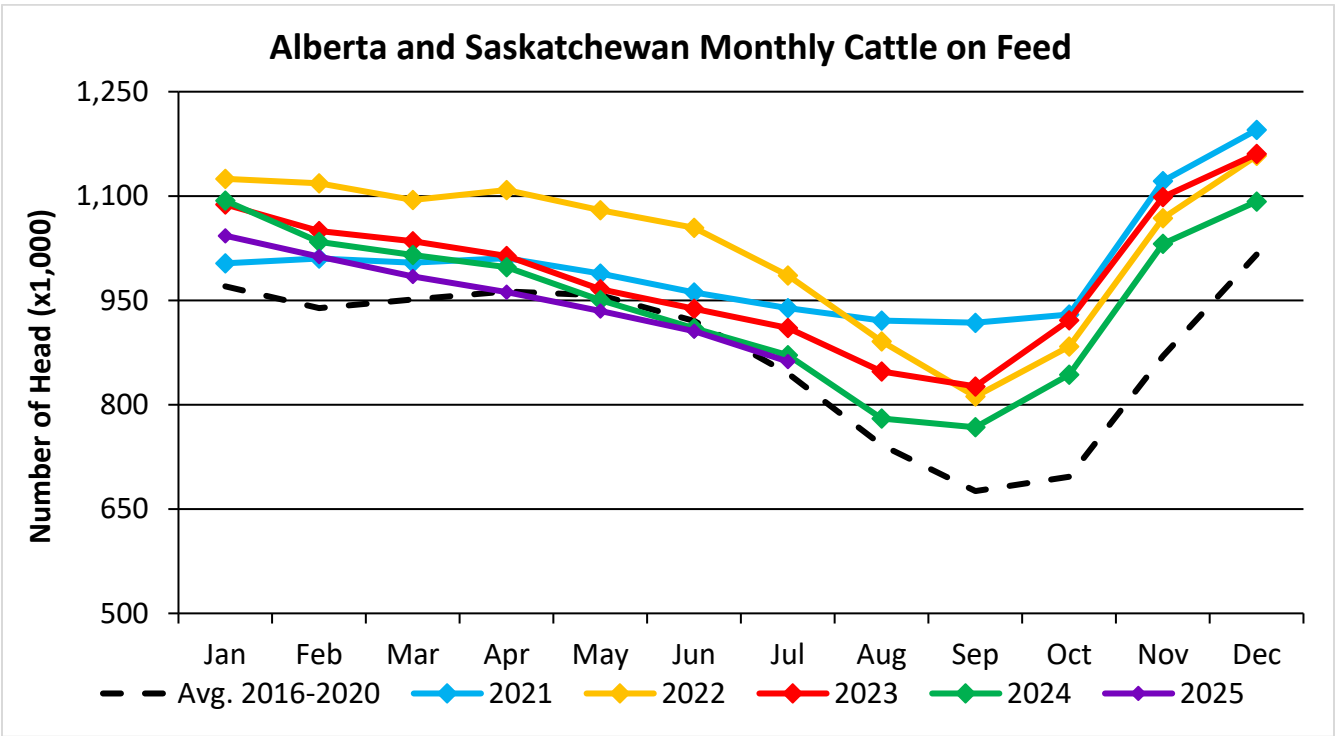
Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

Slaughter: Steady as Consolidation Continues

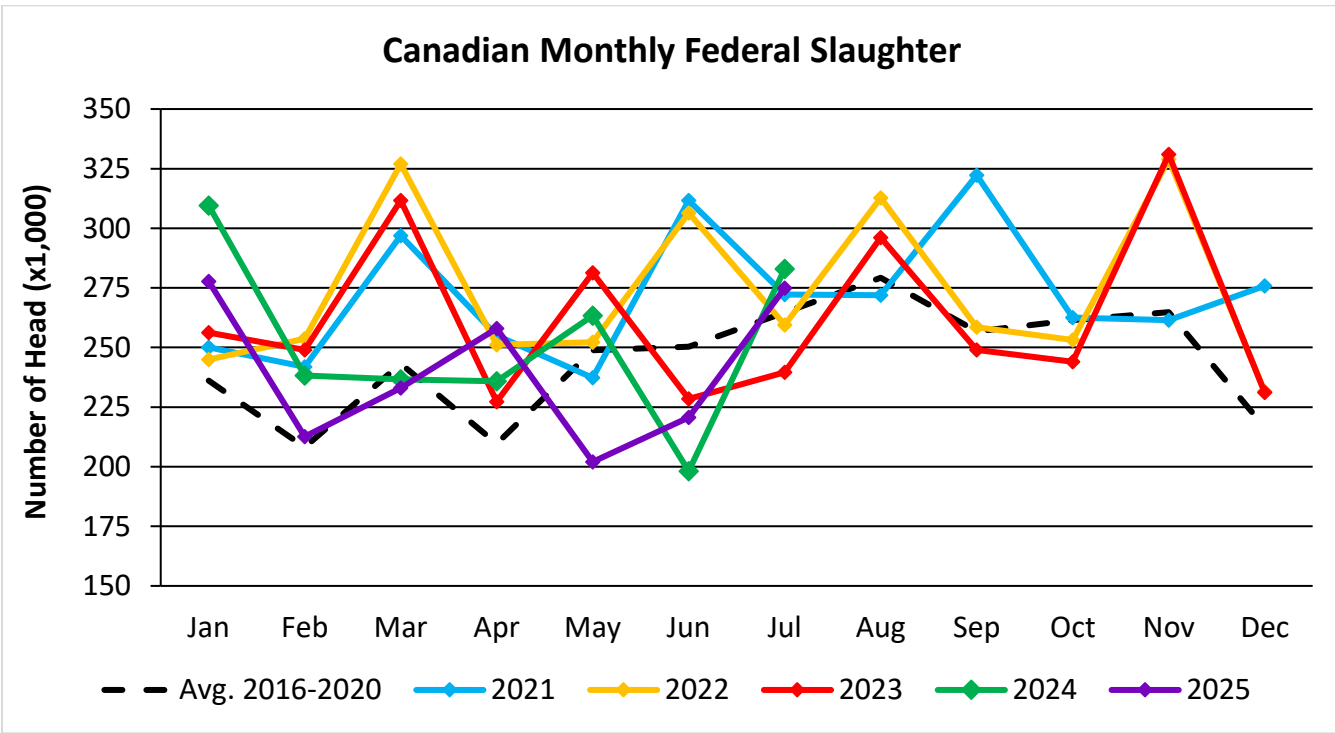
FAS/Ottawa forecasts that slaughter will remain relatively stable in 2026. Decreased cow and heifer slaughter will limit growth as Canada looks forward to a herd rebuild. Strong live cattle imports in the first half of 2025 should support slaughter beginning 2026. While imports are anticipated to grow overall in 2025, strong demand from U.S. packers for fed cattle into 2026 will continue to create competition and support high prices. Packer profitability continues to be challenged, however, this follows several years of profitability in the packing sector. Packers will likely become increasingly price conscious but strong export value and demand will support keeping numbers steady. Canada's two largest federal processors have cross-border operations and are likely to work through logistics, supplies, and sourcing to ensure that their facilities on both sides of the border continue to have adequate throughput. This also enables them to respond to shifting international sentiment and currency competitiveness between Canadian and U.S. beef.

Figure 7- Alberta and Saskatchewan Cattle on Feed



Source: CanFax

Figure 8- Canadian Monthly Federal Cattle Slaughter



Source: CanFax

Beef:

Table 2- Production, Supply and Distribution Estimates

CANADA Meat BEEF and VEAL	2024		2025		2026	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	3,420	3,415	3,360	3,360	0	3,370
Beginning Stocks	36	36	38	38	0	35
Production	1,310	1,300	1,305	1,270	0	1,280
Total Imports	264	264	250	280	0	290
Total Supply	1,610	1,600	1,593	1,588	0	1,605
Total Exports	562	562	560	550	0	550
Total Dom. Consumption	1,010	1,000	1,003	1,003	0	1,020
Ending Stocks	38	38	30	35	0	35
Total Distribution	1,610	1,600	1,593	1,588	0	1,605

Source: USDA, Foreign Agricultural Service using data from the Production, Supply, and Distribution System

Note: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

Data in '000 metric tons, except for "slaughter" which is in '000 head

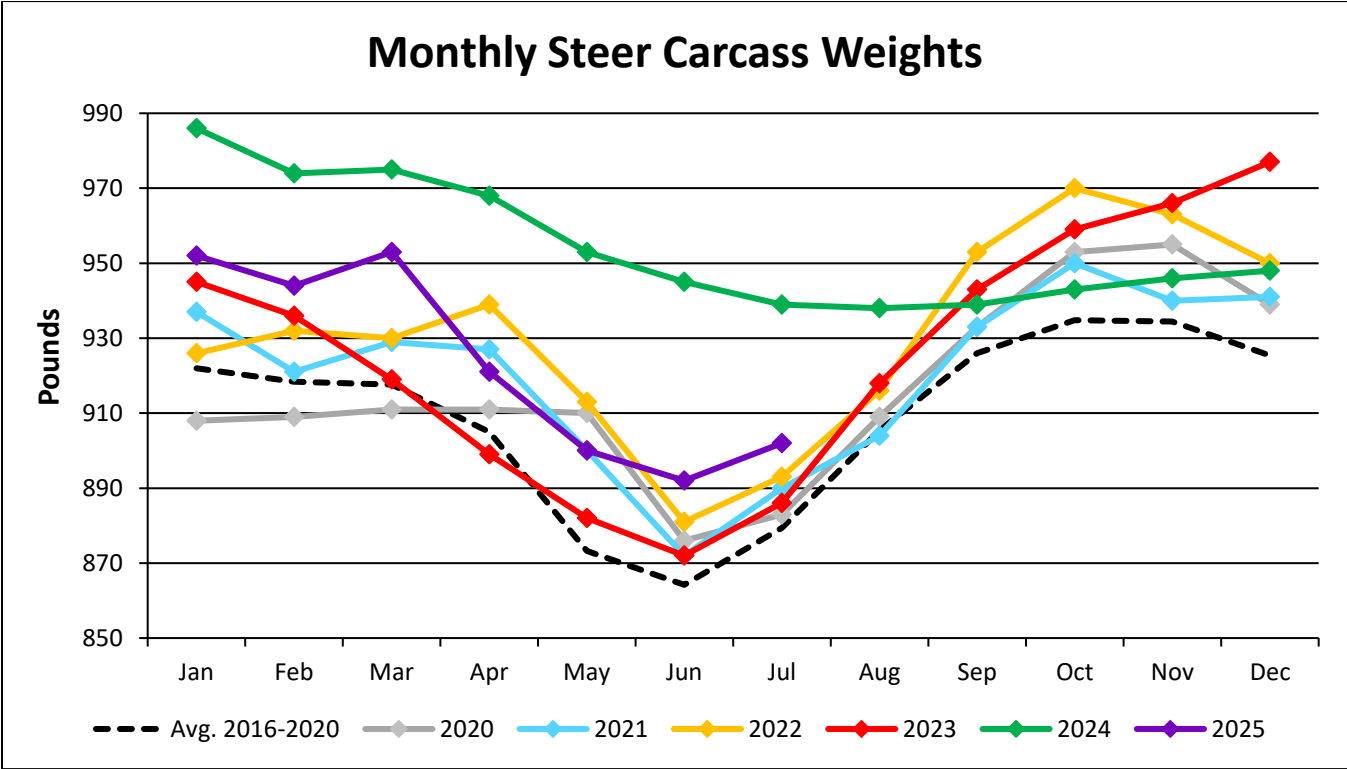
Beef Production: Carcass Weights Increase

FAS/Ottawa forecasts 2026 beef production to see slight growth on account of slightly higher overall slaughter and higher carcass weights. Beef output per animal had been trending higher in Canada, helping to offset impacts from lowering slaughter numbers. However, in the first half of 2025, slaughter weights have been lower, a sign of animals being pulled ahead as feedlots and packers work with tighter supplies. Strong import activity in 2025, and reportedly good feed quality, should see carcass weights begin to trend upward again in 2026.

FAS/Ottawa has revised the beef production estimate for 2025 downwards. This downward revision is based on lower reported carcass weights through the first half of 2025. The last official data report on beef production from Canada is for 2023. Statistics Canada has moved to a reduced reporting schedule meaning that official production data will only be published every two years. As a result, the data

release for 2024 production data will occur in 2026, for 2025 in 2027, and onwards. Therefore, FAS/Ottawa continues to estimate 2024 and 2025 production data while forecasting 2026.

Figure 9- Monthly Steer Carcass Weights



Source: CanFax

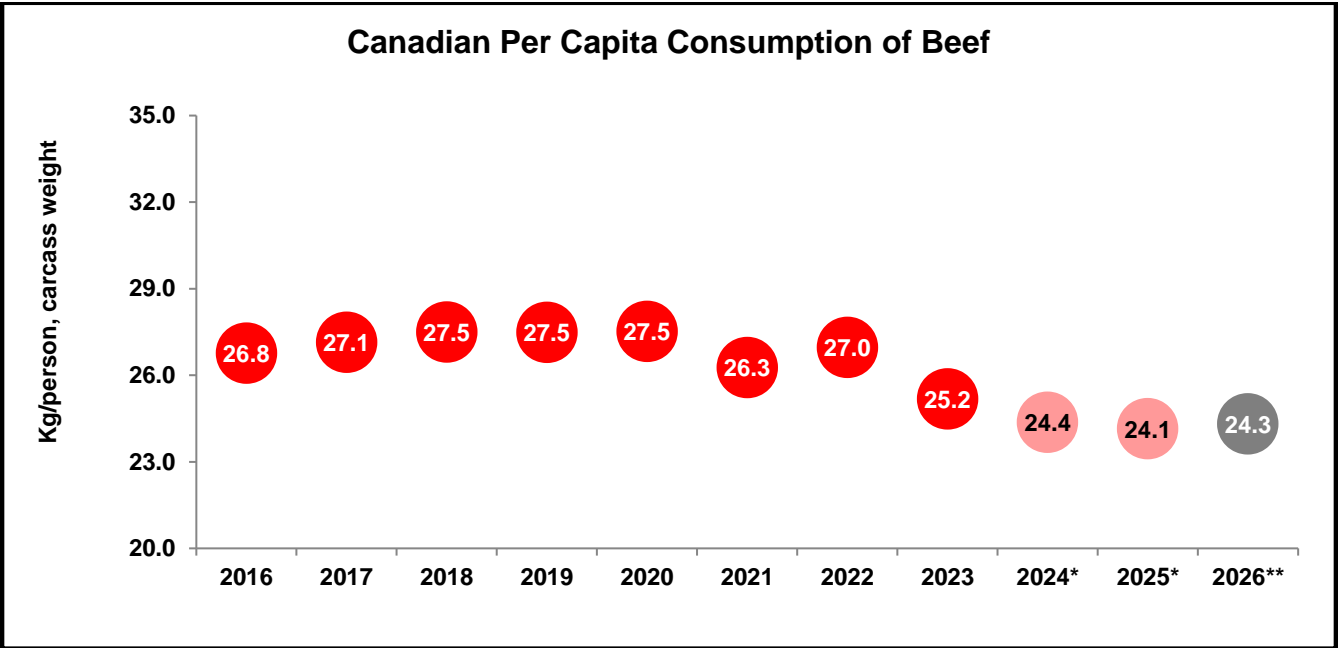
Beef Consumption: Consumption Up, Supported by Imports

FAS/Ottawa forecasts beef consumption to see two percent growth in 2026, driven mainly by strong import activity. Despite high prices, beef demand remains resilient although consumers are likely to shift to lower priced products such as ground beef in higher volumes and waiting for beef features to stock up on muscle cuts. However, consumers continue to show a willingness to tolerate high prices for quality muscle cuts, albeit in lower volumes. Beef continues to show competitiveness against pork, despite a large price differential, and remains the preferred red meat amongst consumers.

Canada saw strong population growth through 2024 fueled primarily by immigration. There was significant pushback from Canadians against these elevated immigration numbers, and the new government is in the process of reforming immigration which is anticipated to see a reduction in immigration numbers. As part of this, there has been a reduction in issuance of certain temporary work

visas and reforms to temporary foreign worker programs for some sectors as well as reduction in international study permits. At this point, agriculture largely has carve-outs on programming changes. The most significant changes will be in terms of a reduced pace of population growth on lower immigration numbers.

Figure 10- Canadian per Capita Consumption of Beef



Source: Statistics Canada, FAS/Ottawa
Note: *estimate **forecast

Beef Trade: Import Growth

FAS/Ottawa forecasts beef imports to continue to grow in 2026, building on growth in 2025. As production and supplies in North America tighten and prices increase, beef imports from lower cost regions become increasingly attractive. As consumers shift to consuming more ground beef, higher volumes of lean trim imports are needed. This will support growth in imports from Australia, New Zealand, and South America. Additionally, trade actions by the United States are likely to see displaced Brazilian product seek to enter Canada in higher volumes. This product may become less cost-competitive once the beef TRQ is filled, however, there is concern about the issuance of supplemental import permits. Industry and the Government of Canada are now closely watching imports of products for pricing discrepancies. Additionally, industry is closely watching volume growth out of South America, especially Brazil, Paraguay, and Argentina.

Anecdotally, it appears that retailers are dabbling in offering lower priced muscle cuts from alternative markets to test how consumers respond. Ungraded beef muscle cuts from Mexico have been observed at retail periodically in the past few years along with muscle cuts from Australia having been reported in stores in 2025. Demand for muscle cuts from Australia may increase as record beef production has been forecast. Both Australia and New Zealand enjoy preferential access to Canada as members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

While the United States also enjoys preferential access to the Canadian market under USMCA, beef imports are down through the first half of 2025 and are likely to continue to struggle in 2026. Tight U.S. supplies, high prices, and a weaker Canadian dollar are all factors. Consumer sentiment may also be at play given frosty Canada-U.S. relations through the first half of 2025. Despite these factors, geographic proximity and integration of the North American supply chain will continue to support U.S. beef imports and the United States will remain the top source market for imports in 2026.

FAS/Ottawa revised the estimate for 2025 imports up based on strong import activity in the first half of 2025 and stronger than anticipated demand from consumers.

FAS/Ottawa forecasts beef exports to be stable in 2026 on slightly higher production and global beef demand. Canadian and U.S. beef tends to compete similarly in international markets given the similarity in cattle genetics and production and feeding systems. A weaker Canadian dollar can make Canadian beef exports more competitive than U.S. beef. Despite lower export volumes through the first half of 2025, Canadian beef exports by value continue to grow.

The Chinese market continues to remain closed to Canadian beef exports. It has been closed since Canada detected an atypical bovine spongiform encephalopathy (BSE) case in December 2021. Geopolitical tensions materializing between Canada and China over electric vehicle imports may challenge ongoing attempts to reopen the Chinese market for Canadian beef. Efforts continue to re-open the market.

Canada will continue to see tariff rates lowered through agreements such as CPTPP. However, Canadian beef will remain at a disadvantage to U.S. beef to South Korea in 2026; U.S. beef will be tariff free while Canadian fresh, chilled and frozen beef is not scheduled to see tariffs fully eliminated until 2030.

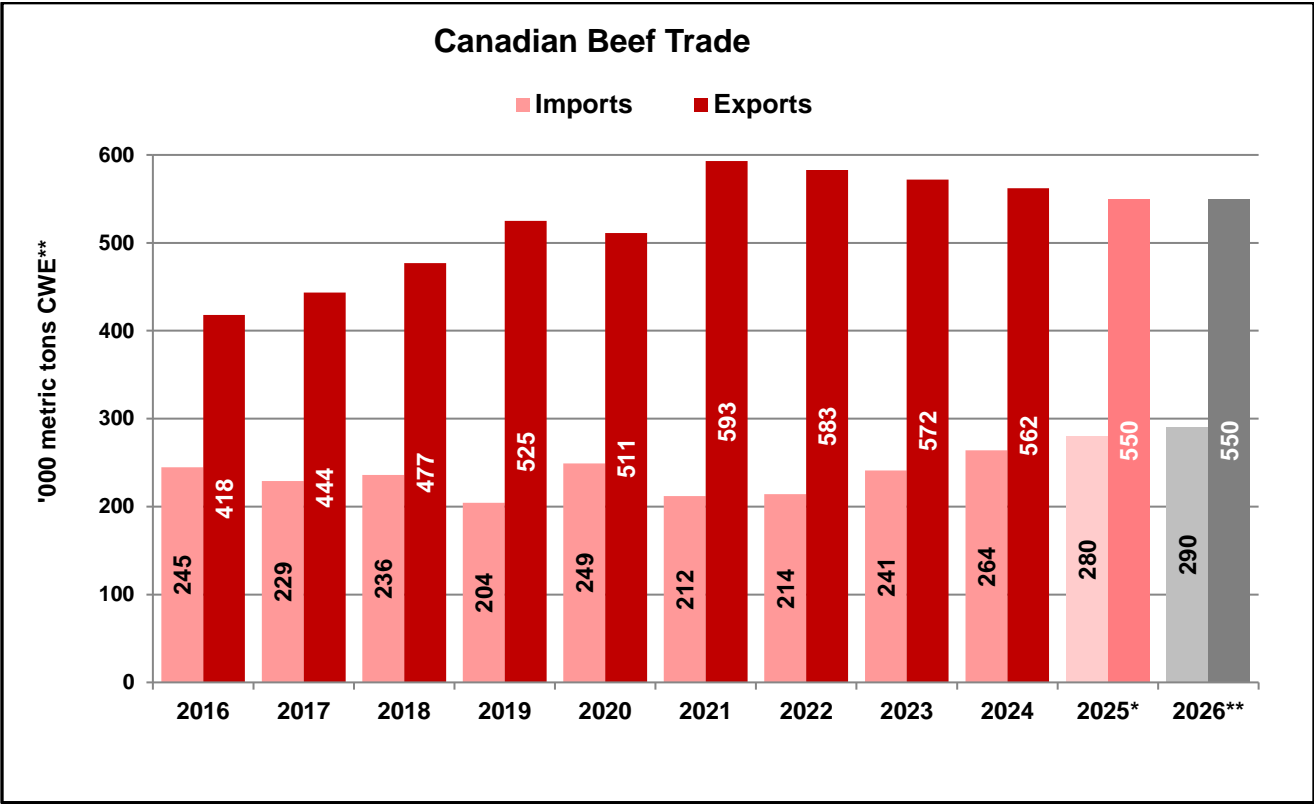
The Indo-Pacific region remains a target for export growth opportunities for Canadian Beef. These markets are largely seeing a growth in their middle class, which supports a shift to purchasing higher value protein. Additionally, these markets tend to take offal and cuts that are not desired in North America and at a premium price. Access to these markets adds significant dollar value to the carcass for packers. The Government of Canada continues to promote market diversification for export activity. Canada continues to generally target the Indo-Pacific region for exports and the opening of the Indo-Pacific Agriculture and Agri-Food Office should be supportive to ongoing growth of markets in the region.

The United States will continue to be Canada’s top export market given geographic proximity and supply chain integration.

FAS/Ottawa has revised 2025 beef exports estimates down given the downward revision on estimates of production and the reported first half decline in export volumes.

Canada continues efforts to see remaining BSE-era restrictions removed given recognition of negligible risk status for BSE by the World Organization for Animal Health.

Figure 11 – Canadian Beef Trade



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

Table 3- Canadian beef and veal exports.

Canada Beef and Veal Exports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2025/2024	
	2023	2024	2025	2023	2024	2025	Volume	Percent
World	272,838	283,731	267,419	100	100	100	-16,312	-6
CPTPP	34,816	33,487	31,904	13	12	12	-1,583	-5
EU	1,041	517	711	0	0	0	194	38
United States	218,314	231,151	215,482	80	81	81	-15,669	-7
Japan	18,373	19,370	16,431	7	7	6	-2,939	-15
Hong Kong	1,795	1,174	1,069	1	0	0	-105	-9
Mexico	16,044	13,717	15,169	6	5	6	1,452	11
South Korea	9,382	8,143	8,512	3	3	3	369	5
Vietnam	4,073	4,546	5,049	1	2	2	503	11
All other countries	4,857	5,630	5,707	2	2	2	77	1

Source: Trade Data Monitor. *Conversion to carcass weight equivalent (CWE) at 1.4 for fresh, chilled and frozen meat, and at 1.79 for salted and processed meat

Table 4- Canadian beef and veal imports.

Canada Beef and Veal Imports January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2025/2024	
	2023	2024	2025	2023	2024	2025	Volume	Percent
World	110,843	127,055	155,573	100	100	100	28,518	22
CPTPP	15,835	21,166	35,272	14	17	23	14,106	67
EU	4,455	5,308	4,769	4	4	3	-539	-10
United States	66,306	64,676	58,032	60	51	37	-6,644	-10
New Zealand	8,391	13,993	26,154	8	11	17	12,161	87
Australia	6,997	16,657	23,982	6	13	15	7,325	44
Mexico	7,043	6,645	7,559	6	5	5	914	14
Uruguay	10,272	11,344	7,371	9	9	5	-3,973	-35
Paraguay	0	0	11,617	0	0	7	11,617	.
All other countries	11,834	13,740	20,858	11	11	13	7,118	52

Source: Trade Data Monitor. *Conversion to carcass weight equivalent (CWE) at 1.4 for fresh, chilled and frozen meat, and at 1.79 for salted and processed meat

Swine:

Table 5- Production, Supply and Distribution Estimates

CANADA Animal Numbers SWINE ('000 head)	2024		2025		2026	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Forecast
Total Beginning Stocks	13,985	13,985	13,855	13,930	0	13,870
Sow Beginning Stocks	1,215	1,214	1,195	1,197	0	1,200
Production (Pig Crop)	29,523	29,603	29,300	29,800	0	29,750
Total Imports	2	2	2	2	0	2
Total Supply	43,510	43,590	43,157	43,732	0	43,622
Total Exports	6,767	6,767	6,515	6,650	0	6,550
Total Slaughter	21,420	21,425	21,440	21,750	0	21,700
Loss	1,468	1,468	1,402	1,462	0	1,452
Ending Inventories	13,855	13,930	13,800	13,870	0	13,920
Total Distribution	43,510	43,590	43,157	43,732	0	43,622

Source: USDA, Foreign Agricultural Service using data from the Production, Supply, and Distribution System

Note: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

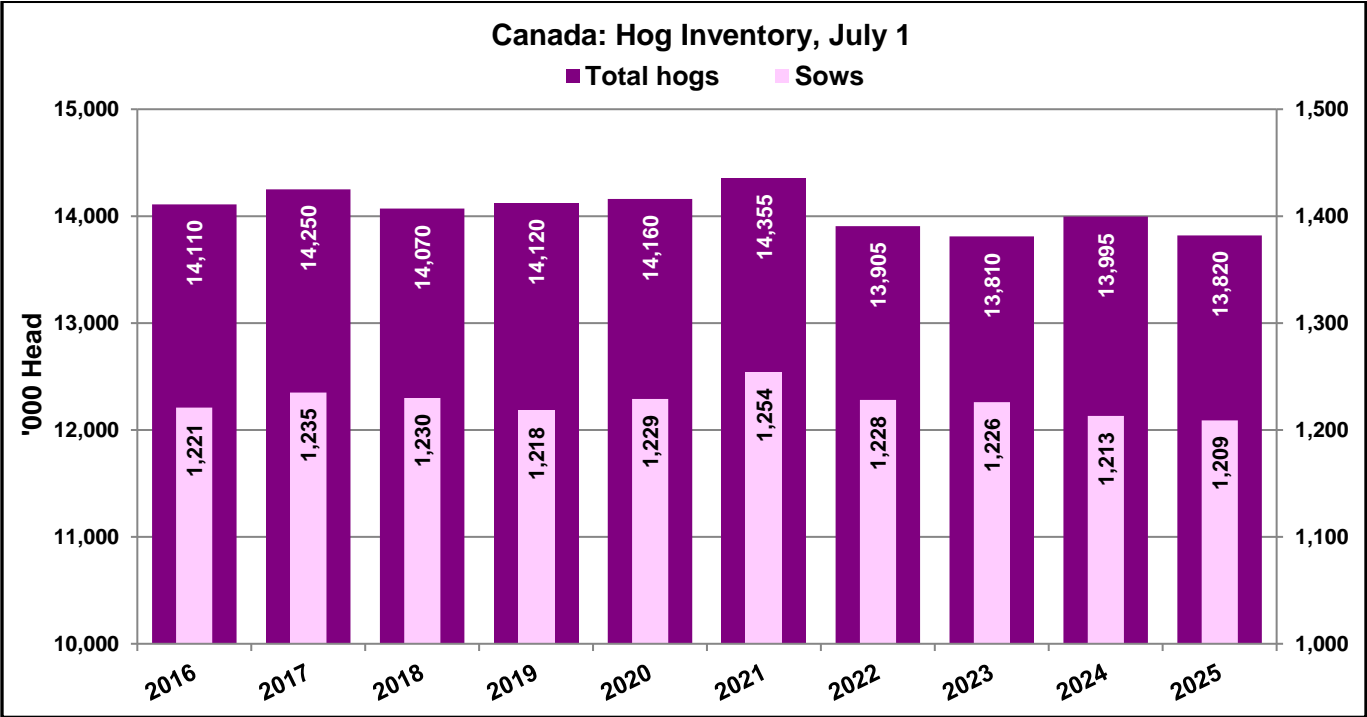
Production: Swine Herd Stabilizes

FAS/Ottawa forecasts stability in the swine herd for 2026. Reductions in Quebec and the idling of sow barns in Western Canada appear to be complete. Lower feed costs and strong pricing may promote some expansion in 2026, but producers remain wary of volatility in export markets, both for live exports to the United States and pork products.

The sow herd is forecast to remain relatively stable to begin 2026. Demand for market hogs and lower feed prices may incentivize some retention. The July 2025 inventory release by Statistics Canada

reported a slight decline in the overall swine herd relative to July 2024, despite a strong first half pig crop. The sow herd remained relatively steady. The inventory decline was driven by growth in slaughter which was up three percent compared to 2024 owing to strong pig crops and slaughter expansion and capacity utilization. Sows bred to farrow grew slightly year-over-year during the January to July period, however, the lack of growth in sow inventories in July would suggest that producers were not taking steps to meaningfully expand herd size at the mid-year point.

Figure 12- Canadian hog inventory, July 1



Source: Statistics Canada

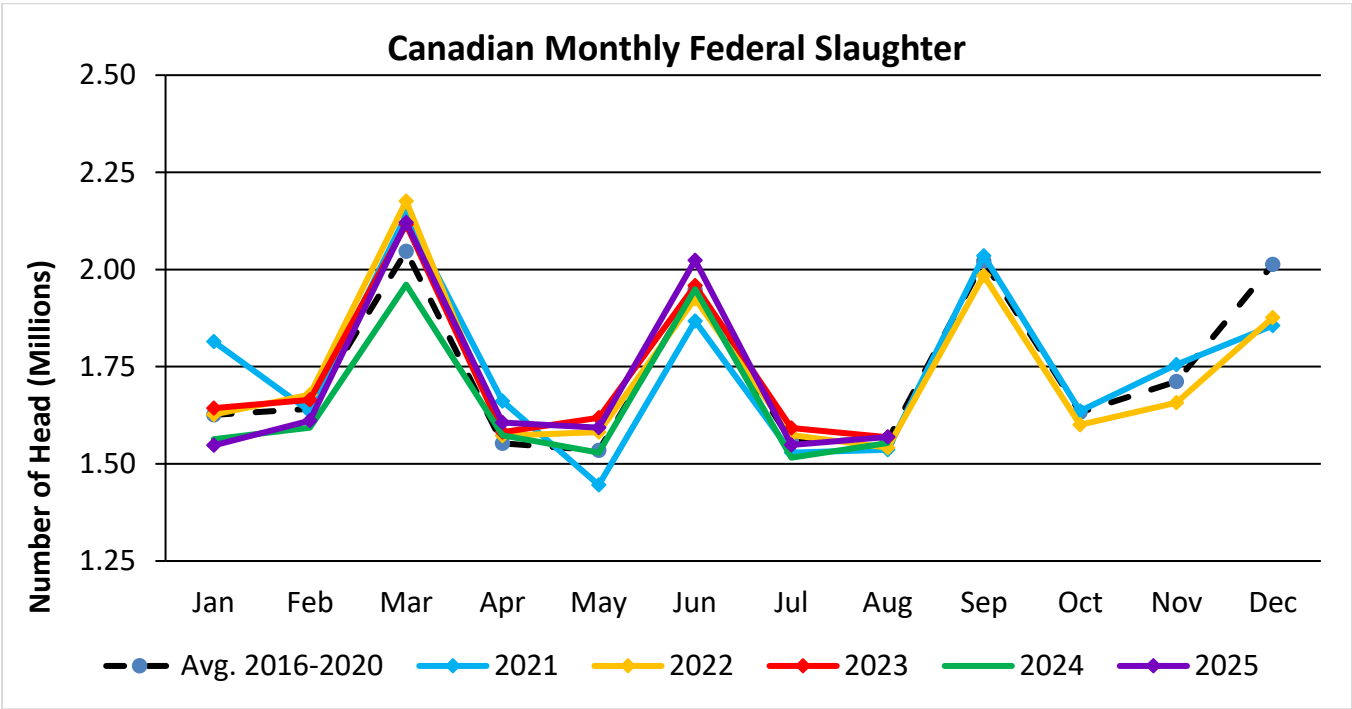
FAS/Canada forecasts a relatively stable pig crop for 2026 with sow fertility anticipated at normal levels. Biosecurity practices implemented following previous years’ porcine epidemic diarrhea virus (PEDv) outbreaks appear to be functioning well with reduced losses anticipated in 2025 and 2026.

While Olymel had implemented reductions in processing, leading to a decrease in slaughter capacity and utilization in Eastern Canada, capacity utilization is up through the first nine months of 2025 in federal plants. Expanded utilization of Western Slaughter capacity has also materialized in Manitoba. Expansion of cull sow slaughter capacity drives some of this expansion while increased capacity utilization has also been observed in existing plants. Export demand for pork is a likely contributor.

FAS/Ottawa forecasts that slaughter will also remain stable in 2026, reflecting pig crop numbers and cull sow slaughter capacity seeing fewer cull sows to the United States. There will be additional further processing capacity planned to come online in Western Canada in late 2026 through an expansion in Saskatchewan but slaughter capacity is not anticipated to further expand with no new facility construction.

Statistics Canada revised 2025 beginning stocks upward by 75,000 head. On this upward revision, 2025 pig crop and 2025 slaughter were also both revised upwards as were 2025 ending stocks. Year-to-date slaughter activity in 2025 has outpaced 2024, a consequence of larger market hog supplies, increased cull sow slaughter, and slaughter capacity utilization, as highlighted by a reduction in market hog exports to the United States.

Figure 13- Canadian Monthly Federal Market Hog Slaughter



Source: Agriculture and Agri-Food Canada

Trade: Live Exports Trend Lower

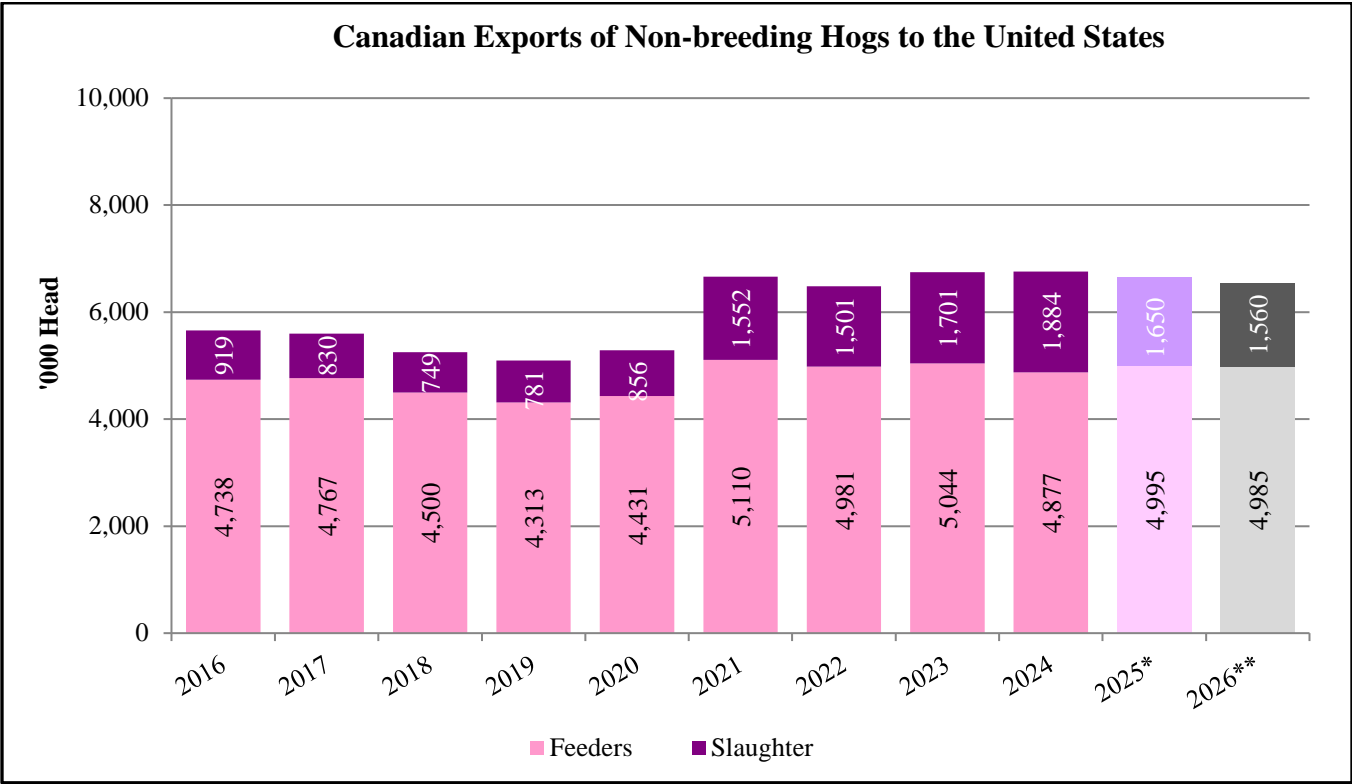
FAS/Ottawa is forecasting a decline in live exports for 2026. This will predominately be driven by a reduction in market hog exports. Canada’s exports of market hogs to the United States had increased in recent years, driven first by processing disruptions related to the COVID-19 pandemic, then due to labor and mechanical disruptions in processing plants, and most recently, from a reduction in slaughter

capacity in Quebec, which saw larger numbers of Ontario and Quebec market hogs head to the United States as a result of displacement. Despite advanced notice on the reduction in processing capacity in Quebec, hog producers in Eastern Canada appeared to have a delay in responding to shifting market conditions with market hogs easily finding shackle space in the United States. It appears that this trend is finally reversing in 2025 with year-to-date market hog exports to the United States below the comparable period in 2024. FAS/Ottawa anticipates this trend to continue in 2026, especially with the increased capacity utilization in Canada.

FAS/Ottawa is forecasting a reduction in weanling/feeder hog exports to the United States in 2026. A smaller U.S. pig crop and breeding herd has supported an increase in live feeder exports to the United States for 2025; January through July trade data confirms that feeder exports have been up year-over-year. This general trend is estimated to hold through 2025 before declining in 2026 with growth in sows bred to farrow expected in the United States beginning in the second half of 2025. There continues to be longstanding cross-border relationships between Canada and the United States for Canadian feeder exports, especially from the Prairies. Canadian industry will be watching closely for any impacts of the “Product of USA” voluntary labeling which will be fully implemented in January 2026 for impacts to this cross-border trade. Depending on market uptake, there could be a further downward pressure on live exports from Canada in 2026 if retailers and consumers show preference for the label.

On Statistics Canada upward revisions to inventory in the July 1 inventory report, FAS/Ottawa has revised upwards the estimates for live exports for 2025. The original forecast trend remains unchanged.

Figure 14- Canadian Exports of Non-Breeding Hogs to the United States



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

Pork:

Table 6- Production, Supply and Distribution Estimates

CANADA Meat SWINE	2024		2025		2026	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	21,420	21,425	21,440	21,750	0	21,700
Beginning Stocks	78	78	80	81	0	80
Production	2,090	2,090	2,095	2,140	0	2,135
Total Imports	243	243	230	220	0	225
Total Supply	2,411	2,411	2,405	2,441	0	2,440
Total Exports	1,435	1,438	1,375	1,450	0	1,445
Total Dom. Consumption	896	892	950	911	0	925
Ending Stocks	80	81	80	80	0	70
Total Distribution	2,411	2,411	2,405	2,441	0	2,440

Source: USDA, Foreign Agricultural Service using data from the Production, Supply, and Distribution System

Note: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

Data in '000 metric tons, except for "slaughter" which is in '000 head

Pork Production: Larger Slaughter Numbers Support Increased Production

FAS/Ottawa forecasts 2026 pork production to remain relatively steady to 2025, as carcass weights and slaughter volumes remain stable. Canada's processing sector suffered from myriad disruptions in recent years because of the COVID-19 pandemic, then due to labor and mechanical disruptions in processing plants, and most recently, from a reduction in slaughter capacity in Quebec, as one of the large processors, Olymel, completed restructuring and removed some older slaughter lines from production. At the same time, cull sow processing in Canada has expanded and 2025 appears to be showing that slaughter capacity utilization has improved. This should support consistency in weights and slaughter throughput in 2026 with pork production consequently remaining stable.

Estimates for 2025 pork production have been revised upwards as a result of upward revisions to slaughter numbers with a higher than anticipated first half pig crop reported.

Pork Consumption: Domestic Consumption Slowly Increasing

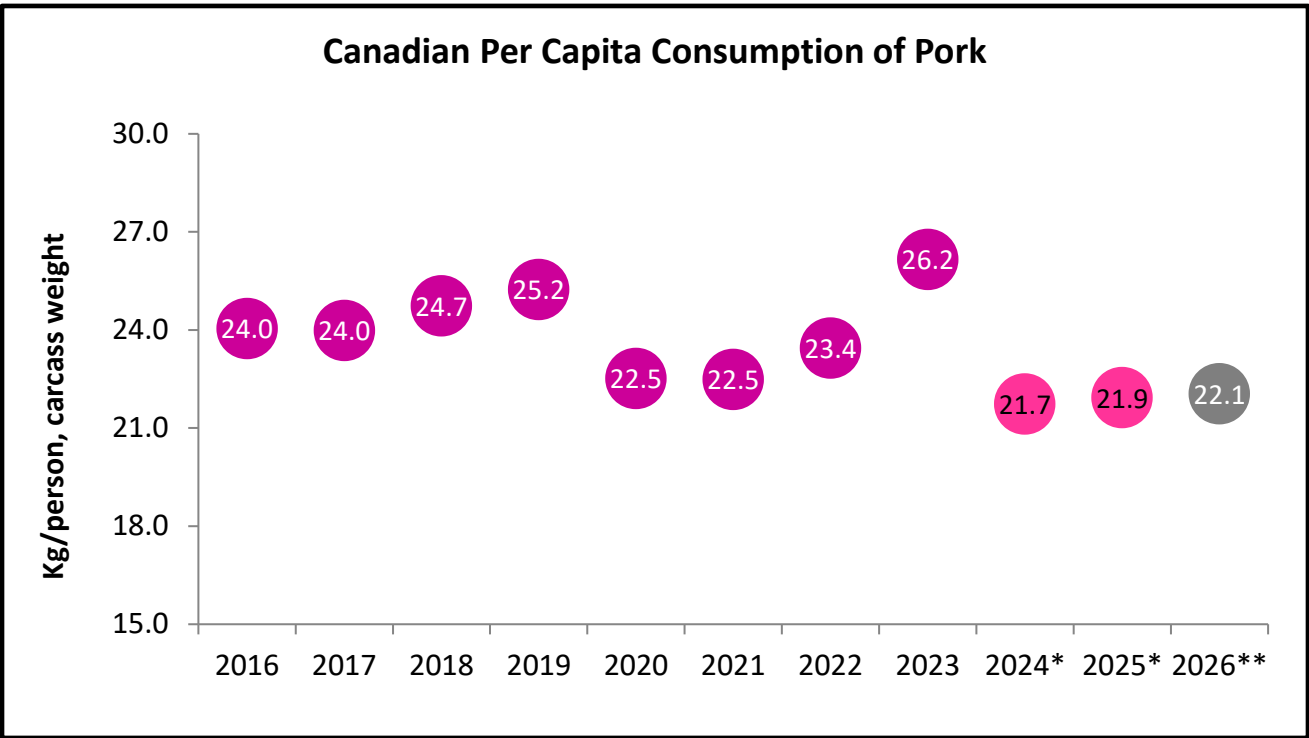
Domestic pork consumption has seemingly continued to struggle in Canada, with the bump to consumption in 2023 failing to be sustained. Rising beef prices and competitive pork prices along with greater domestic availability had shifted consumer perceptions and saw consumer demand re-engaged with pork in 2023. However, despite beef prices remaining relatively high, pork has failed to capture Canadian consumer attention since, with the pace of population increase outpacing consumption to see per capita pork consumption drop off.

Canada saw strong population growth through 2024 fueled primarily by immigration. There was significant pushback from Canadians against these elevated immigration numbers, and the new government is in the process of reforming immigration which is anticipated to see a reduction in immigration numbers. While Canada saw population numbers grow, the dietary preferences of these new Canadians were not in favor of pork. Many of these immigrants come from backgrounds where chicken consumption is more prevalent, followed by beef, and where pork consumption may be prohibited on religious grounds. Thus, population expansion has not supported expansion in pork consumption in Canada, despite competitive pricing against beef.

Additionally, pork exports rebounded in 2024 and are forecast to remain strong through 2026. This is likely once again leading to an export-focused pork industry with less focus on spurring up domestic demand. FAS/Ottawa forecasts that consumption will increase in 2026 despite these challenges as consumers conscious of rising costs will see pork pricing against beef as more attractive. However, this growth will still see per capita consumption remaining low.

FAS/Canada has revised 2025 pork exports upwards based on year-to-date trade data and upward revisions to Canada's pork production estimates for 2025.

Figure 15- Canadian per Capita Consumption of Pork



Source: Statistics Canada

Pork Trade: Global Pork Demand Sees Exports Remain Stable

FAS/Ottawa is forecasting pork exports remain stable in 2026. Canada’s pork industry is export-dependent, with roughly 70 percent of production exported annually. the Government of Canada continues to promote market diversification for export activity. Canada continues to generally target the Indo-Pacific region for exports and the opening of the Indo-Pacific Agriculture and Agri-Food Office should be supportive to ongoing growth of markets in the region. As with the beef industry, Canada’s pork industry sees market potential in the Indo-Pacific region. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will continue to see tariffs on Canadian pork phased out in several markets. Japan continues to be a strong market for Canadian pork, especially as the Japanese yen has more strength against the Canadian dollar compared to the U.S. dollar. This will continue to support Canadian pork exports to that market through 2026.

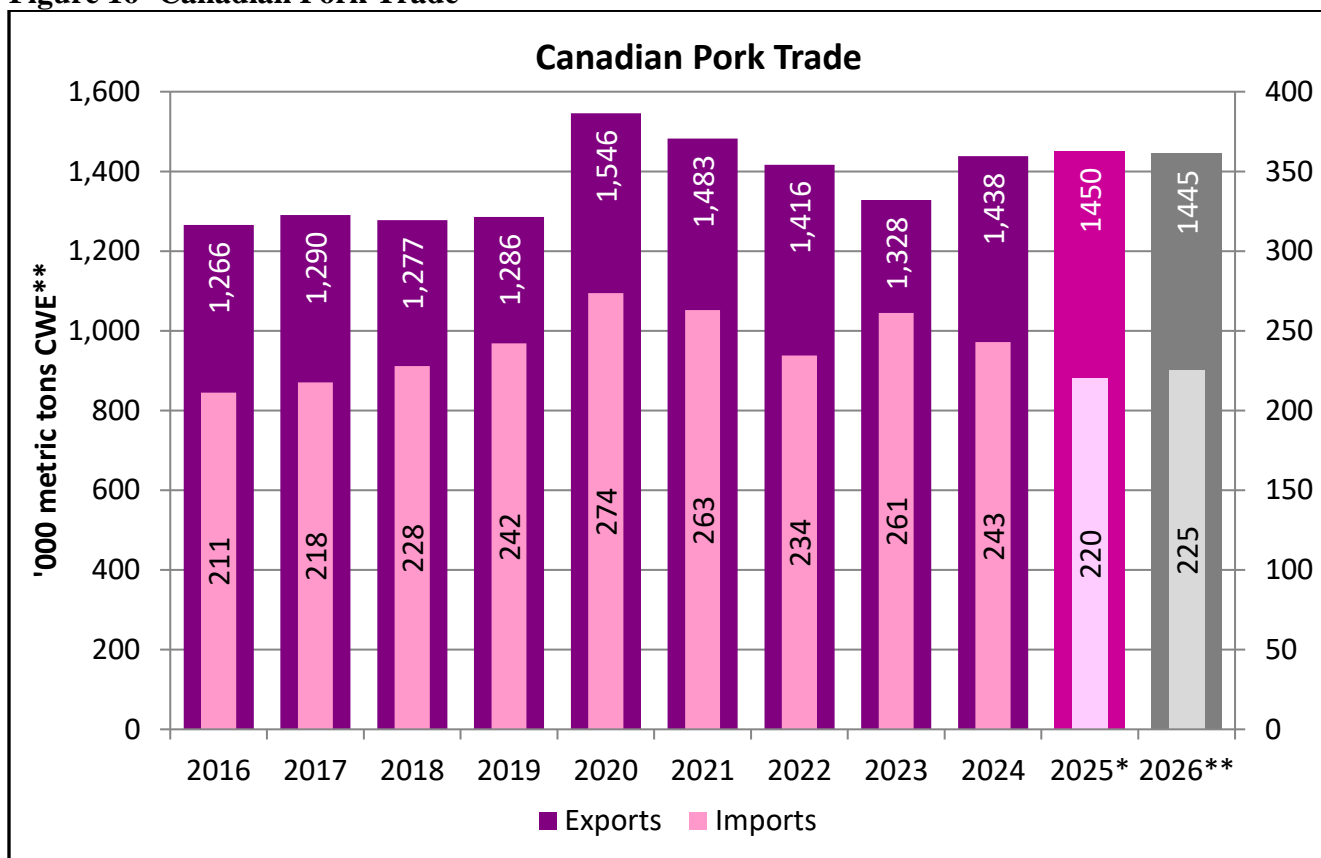
Canadian exporters have continued to reduce exports to the European Union as pork export performance under the Comprehensive and Progressive Trade Agreement (CETA) continues to be an irritant for the Canadian pork industry. As exporters increasingly focus on the Indo-Pacific, exports to the EU will likely stay at minimal volumes.

The United States will continue to remain the dominant export market for Canadian pork exports given geographic proximity and established supply chains. However, with an expectation of expanded U.S.

production in 2026, Canadian pork will likely see exports to the United States reduced. Additionally, it is not clear what impact, if any, the voluntary “Product of USA” label could have on Canada’s pork exports to the United States. Concerns over tariffs and the changing trade environment will also see Canada remain focused on opportunities in non-U.S. markets.

The Chinese market continues to be a challenge for Canadian pork exporters. Geopolitical tensions between Canada and China over the past several years have continually seen Canadian pork end up as one of the commodities targeted for retaliation. As of writing, select Canadian pork exports to China face a 25 percent retaliatory tariff in response to Canada’s tariff on Chinese electric vehicles.

Figure 16- Canadian Pork Trade



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

FAS/Ottawa forecasts Canadian pork imports to see a slight increase in 2026 to support a slight growth in domestic consumption. The United States will remain the top supplier to Canada given geographic proximity. Brazil is anticipated to continue to expand its exports to Canada, especially given Brazil-United States relations. Imports from Mexico may also continue to grow, especially if Brazilian product moves more into the Mexican market, which could in turn see Canada expand imports from Mexico as product is redistributed and displaced.

Table 7- Canadian pork exports.

Canada Pork Exports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2025/2024	
	2023	2024	2025	2023	2024	2025	Volume	Percent
World	678,560	741,979	766,508	100	100	100	24,529	3
CPTPP	190,487	276,277	320,485	28	37	42	44,208	16
EU	1,406	1,406	442	0	0	0	-964	-69
United States	206,940	201,356	184,435	30	27	24	-16,921	-8
China	112,784	68,529	66,303	17	9	9	-2,226	-3
Japan	105,750	170,710	214,828	16	23	28	44,118	26
Mexico	76,148	85,656	94,365	11	12	12	8,709	10
South Korea	31,769	53,657	62,398	5	7	8	8,741	16
Philippines	63,755	61,677	53,622	9	8	7	-8,055	-13
Vietnam	2,457	10,186	5,769	0	1	1	-4,417	-43
All other countries	285,897	291,564	269,223	42	39	35	-22,341	-8

Source: Trade Data Monitor. *Conversion to carcass weight equivalent at 1.3

Table 8- Canadian pork imports.

Canada Pork Imports January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2025/2024	
	2023	2024	2025	2023	2024	2025	Volume	Percent
World	126,971	116,378	100,605	100	100	100	-15,773	-14
EU	20,454	13,807	13,302	16	12	13	-505	-4
CPTPP	1,807	623	1,087	1	1	1	464	74
United States	102,512	94,603	78,488	81	81	78	-16,115	-17
Germany	7,424	5,370	3,153	6	5	3	-2,217	-41
Denmark	6,608	3,848	5,522	5	3	5	1,674	44
Brazil	1,235	6,466	7,069	1	6	7	603	9
All other countries	9,192	6,091	6,373	7	5	6	282	5

Source: Trade Data Monitor. *Conversion to carcass weight equivalent at 1.3

Policy:

Beef and Veal Supplemental Import Application Refusals

On May 15, 2025, the Government of Canada issued a [message to industry](#) on supplemental import requests for beef and veal. The rationale for the notice was a trend of significant price discrepancy for products imported into North America where imports into the United States were at a higher reported price compared to Canada. Supplemental import requests for beef and veal where there is a significant price discrepancy between product entering Canada and comparable product entering the United States will be refused.

Comprehensive Economic Partnership Agreement (CEPA)

On December 2, 2024, Canada and Indonesia announced the conclusion of negotiations on [CEPA](#). Both countries made a commitment to sign the agreement at some point in 2025. Global Affairs Canada notes that once fully implemented, over 95 percent of Canadian exports to Indonesia will receive preferential tariff treatment.

China

Following detection of an atypical BSE case in Western Canada in December 2021, China suspended imports of Canadian beef. Imports have not resumed as of the writing of this report.

On March 20, 2025, China applied a 25 percent tariff on select Canadian pork products in retaliation for Canadian tariffs on Chinese electric vehicles and steel and aluminum.

Foot and Mouth Disease (FMD) Vaccine Bank

As part of Budget 2023, the Canadian Food Inspection Agency (CFIA) received CAD 57.5 million over the course of five years to establish a FMD vaccine bank for Canada. This process will also support development of FMD response plans in the event of an outbreak in Canada. In June 2025, CFIA announced that Boehringer Ingelheim Animal Health and Biogénesis Bagó SA were awarded contracts to supply vaccine products and develop the FMD bank.

Health of Animals Regulations (Identification and Traceability)

Canada has proposed changes to Part XV of the *Health of Animals Regulations* (Identification and Traceability). The proposed changes would add traceability requirements for goats and cervids, given shared diseases with other regulated species, reduce duration of time to report events, and add requirements for premises identification where animals are located and domestic movement reporting. Details are available in [Canada Gazette Part I](#) and on the CFIA [website](#).

Pork Promotion and Research Agency

The [Canadian Pork Promotion and Research Agency](#) (Pork PRA) was officially established under the Farm Products Agencies Act on December 16, 2020. Collection of the import levy began in May 2022. The import levy is CAD 0.80 per hog, or equivalent adjustment for pork products, based on matching the lowest provincial levy amount. Additional information can be found on the Pork PRA [website](#).

Religious Slaughter

A Federal Court decision has determined that the Canadian Food Inspection Agency (CFIA) cannot enforce three indicators of animal unconsciousness under their religious slaughter guidelines until the court makes a final decision on the case. The guidelines have been alleged to only be enforced by CFIA since June 2023 and the CFIA has been challenged that the guidelines encroach on Canadian Charter rights related to equality and religious freedom specifically for the production of kosher beef. It is alleged that the CFIA requirements unnecessarily slow production and that abattoirs are now choosing not to produce Kosher certified meats resulting in reductions in access to Kosher meat for Canada's Jewish community. While the injunction is in place, CFIA will still be able to enforce to ensure humane slaughter practices but will be unable to use certain cognitive tests to determine unconsciousness.

Canada is currently accepting applications to a two-year CAD 25 million contribution funding program, [The Kosher and Halal Investment Program](#). Applications will be accepted until September 2026 with projects required to be completed by March 31, 2027. The objectives are to help the Canadian red meat sector and slaughter establishments address challenges related to slaughter and Judaic or Islamic law and to increase processing and production efficiency of kosher and/or halal red meat in Canadian slaughter establishments.

Attachments:

No Attachments