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Report Highlights:

The Canadian cattle herd is forecast to expand in 2027. Heifer retention and reduced cow culling have led to expansion of the breeding herd. Consequently, the 2027 calf crop, slaughter numbers, and beef production are forecast to see growth. Global demand for beef will continue to support strong export performance. The Canadian swine herd is also forecast to see some growth in 2027. A larger breeding herd and higher productivity per sow will support a larger pig crop. Pork exports are forecast to decline amidst a weakening global demand.

Executive Summary:

Cattle

Production:

Heifer retention and reduced cow slaughter continued in 2026, supporting growth of the breeding herd and a larger calf crop in 2027. Pasture conditions have continued to improve in several regions with much of the prairies now out of drought supporting herd rebuild.

Trade:

Live cattle imports are forecast to decline slightly in 2027 from an anticipated record level for 2026. Cattle supplies continue to be tight in North America and while the U.S. herd continues to struggle with drought, Canada's herd has begun to rebuild which will see more domestic feeders available. However, U.S. beef-on-dairy feeder imports will continue to remain desirable. Contraction in U.S. processing capacity will see reduced demand for live exports.

Beef

Production:

Beef production will see sustained growth through 2027 with heavier carcass weights and slightly higher slaughter numbers. Ample cattle on feed numbers and a larger domestic calf crop should support higher slaughter numbers in 2027 relative to 2026.

Trade:

Imports are forecast to see continued growth through 2027. High domestic prices and high U.S. beef prices will sustain imports from lower cost of production regions. A weaker Canadian dollar and global demand will support export growth through 2027. Canadian beef has regained access to China which will support exports along with continued tariff phase-outs due to free trade agreements, particularly in the Indo-Pacific region.

Swine

Production:

The Canadian swine herd is forecast to see slight growth in 2027 with a larger breeding herd and high sow productivity. The 2026 pig crop is estimated to see three percent growth with 2027 stable as sow productivity peaks. Slaughter is estimated to grow two percent in 2026 and will remain steady in 2027.

Trade:

Canadian producers will be watching for impacts to live exports from the full implementation of “Product of USA” as well as U.S. discussions on implementing mandatory country of origin labeling (mCOOL). Live exports are forecast to remain steady in 2027 while estimated to see a six percent growth in 2026. Reductions in slaughter capacity in Eastern Canada have not curbed production in Ontario and Ontario producers have seemingly developed relationships with U.S. processors to support market hog exports over a longer term.

Pork**Production:**

Pork production is forecast to remain relatively steady in 2027 with 2026 production estimated to see a two percent increase. 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 decline in 2027 with anticipation of a weakening in global demand. Export gains will be likely in the Indo-Pacific and Columbia and a weaker Canadian dollar could see sustained export support to Mexico and the United States. Imports are forecast to decline amidst more robust domestic production but modest growth in consumption.

Cattle:

Table 1- Production, Supply and Distribution Estimates

CANADA Animal Numbers CATTLE ('000 head)	2025		2026		2027	
	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	10,860	10,815	11,135	11,000	0	11,330
Dairy Cows Beg. Stocks	965	964	971	966	0	970
Beef Cows Beg. Stocks	3,352	3,349	3,417	3,387	0	3,410
Production (Calf Crop)	4,204	4,140	4,225	4,150	0	4,190
Total Imports	551	551	400	560	0	530
Total Supply	15,615	15,506	15,760	15,710	0	16,050
Total Exports	752	752	700	670	0	660
Cow Slaughter	388	388	370	370	0	370
Calf Slaughter	160	176	160	170	0	180
Other Slaughter	2,673	2,686	2,770	2,660	0	2,690
Total Slaughter	3,221	3,250	3,300	3,200	0	3,240
Loss	507	504	510	510	0	510
Ending Inventories	11,135	11,000	11,250	11,330	0	11,640
Total Distribution	15,615	15,506	15,760	15,710	0	16,050

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

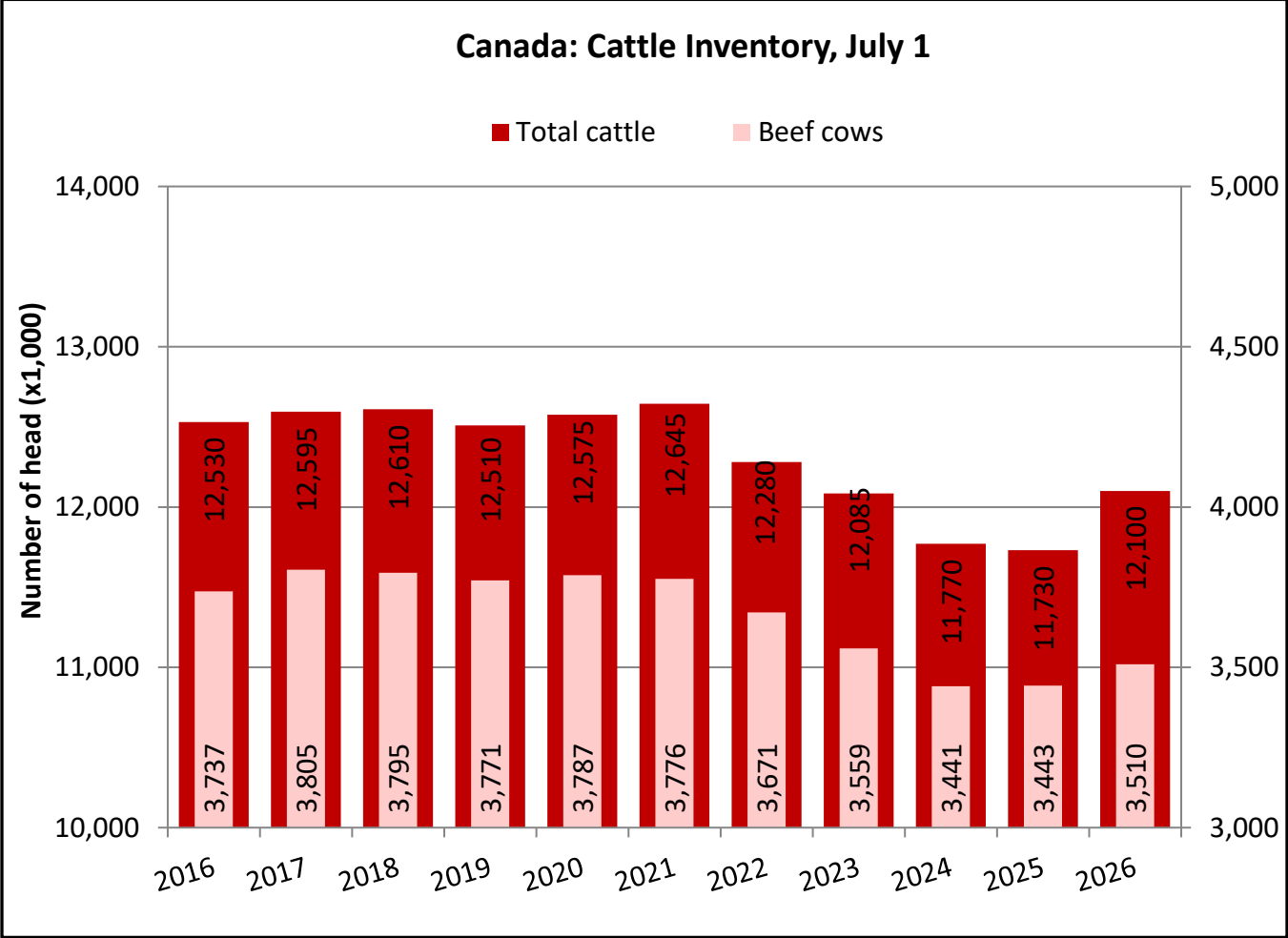
Cattle Production: Signals for Herd Expansion

As weather conditions have improved pasture and feed availability across much of the country, increased heifer retention and declines in cow slaughter are likely signaling a move out of consolidation and into expansion for the Canadian herd. FAS/Canada forecasts that the cattle herd will grow three percent year-over-year from 2026 to 2027. According to official Statistics Canada reporting, the Canadian herd grew two percent from 2025 to 2026 as it entered consolidation. For the July 1 inventory report, official data indicates that the beef cow herd is up two percent year-over-year while heifers intended for beef replacement are up six percent year-over-year, at the highest number reported since 2021. Heifer retention has been increasing as pasture conditions and feed availability have improved with much of Canada coming out of significant drought. Drought continues to persist in British Columbia, Northern Ontario, and varies regionally across the country, but in many cattle producing regions, conditions are prime for producers to focus on expanding herd numbers once again.

FAS/Canada forecasts that 2027 beef cow beginning stocks will be up one percent. This increase will be driven by larger retained heifer numbers in 2026 and a reduction in cow slaughter. Cow slaughter is forecast to stabilize in 2027 as producers begin to evaluate herd demographics and will look to replace

aging cow herds with younger stock. Profitability in the cow-calf sector will support producers in stabilizing and introducing more heifers into breeding herds with greater feed availability enabling producers to retain more heifers for future breeding. Consequently, heifer slaughter is also forecast to decline in 2027.

Figure 1- Canadian Cattle Inventory, July 1

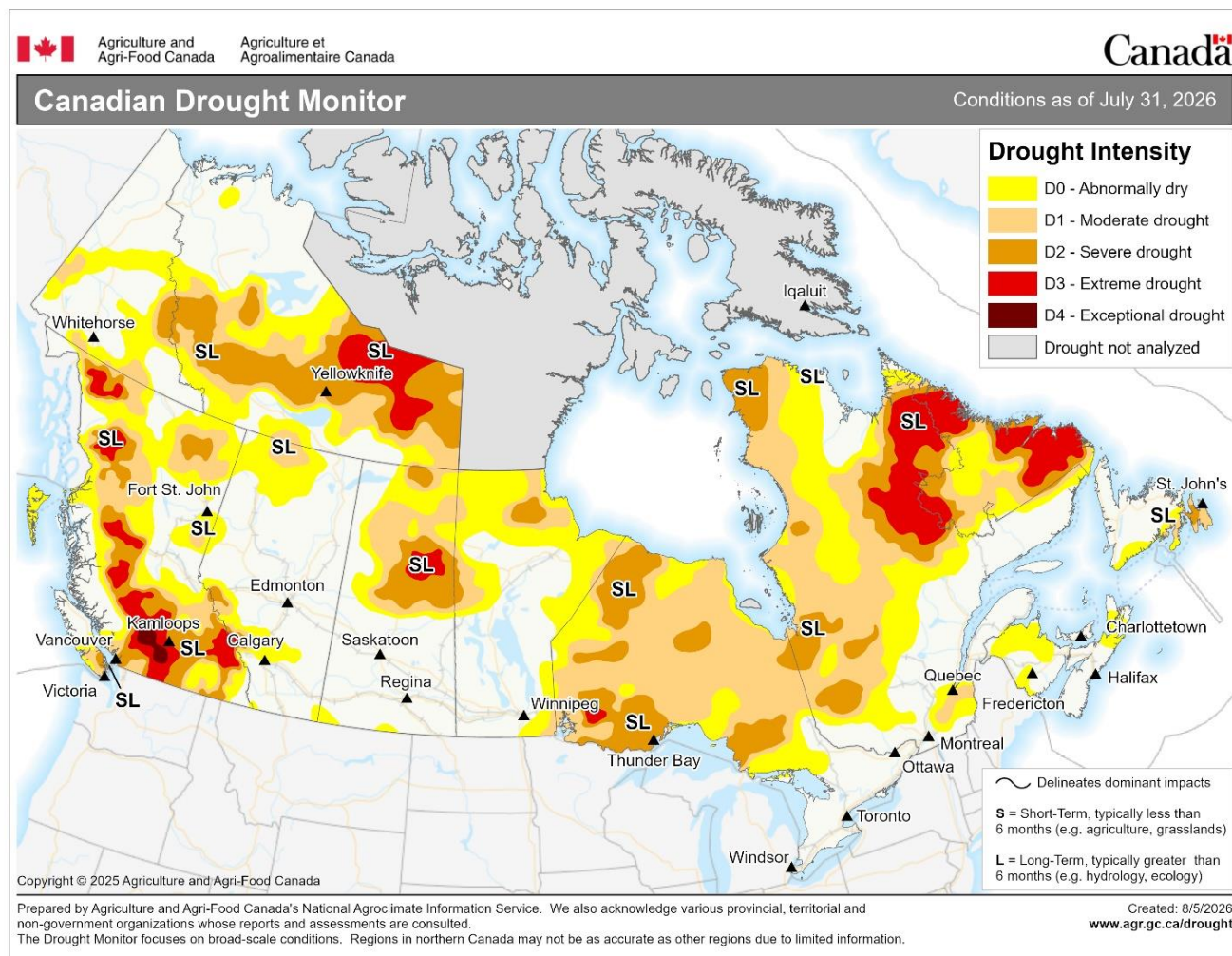


Source: Statistics Canada

FAS/Ottawa is forecasting a one percent increase in the 2027 calf crop following an estimated one percent increase in the 2026 calf crop, both on larger breeding herds. First crop calf production for 2026 is largely stable on 2025 numbers, despite a slightly larger breeding herd. It is possible that producers are now more likely to retain an open cow and try to rebreed than in past years when feed conditions were tighter. There may also be some lingering impacts on reproduction from the drought. FAS/Canada anticipates that with good feed conditions, fertility rates will be strong in 2027, supporting a larger calf crop. Herd liquidation and aggressive culling practices during recent drought years are no longer occurring, and producers are likely more open to giving open cows or heifers (not in calf) another chance to come into calf and problematic stock are likely also more likely to linger in the herd.

Producers will have to balance increased heifer retention and replacement of aging cow herds to ensure fertility rates remain strong.

Figure 2 – Canadian Drought Monitor map, Conditions as of July 31, 2026

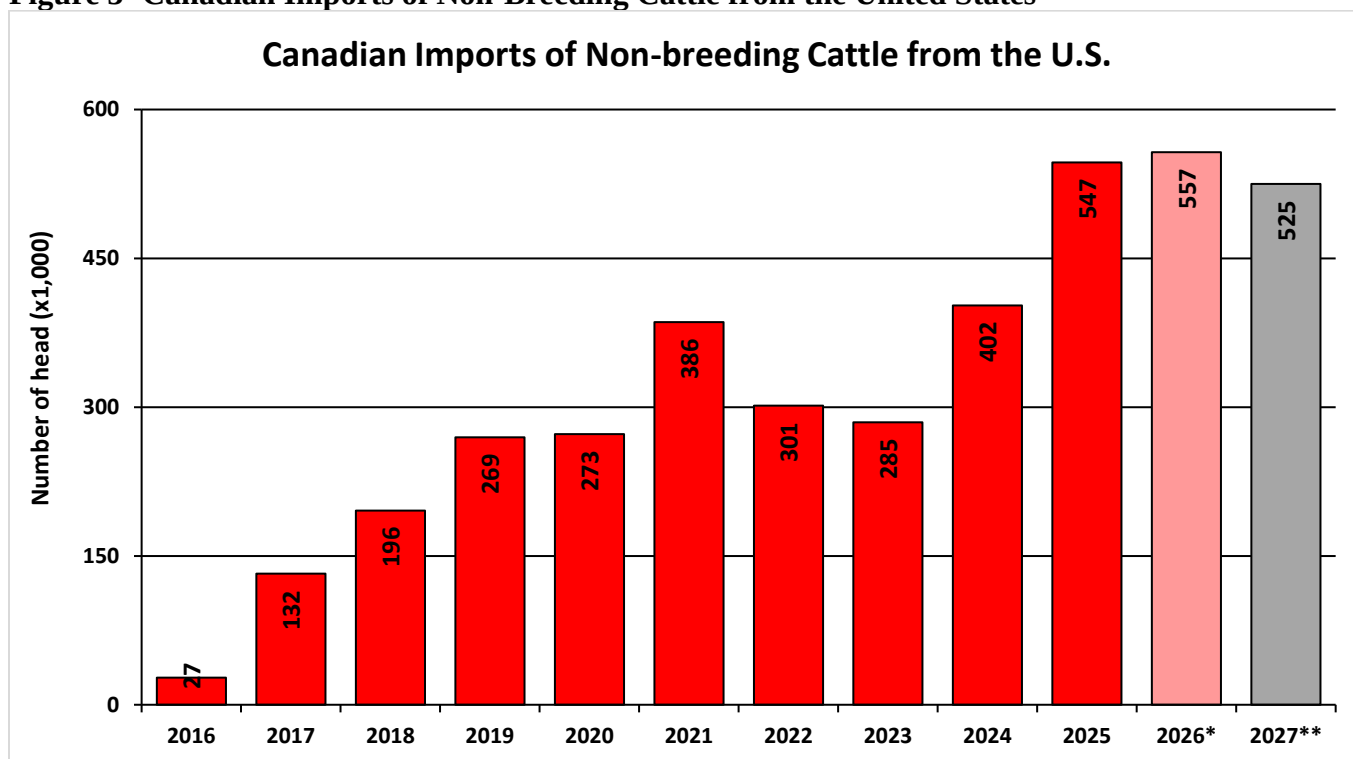


Source: Agriculture and Agri-Food Canada

Live Cattle Trade: Imports Slow as Domestic Herd Rebounds

FAS/Ottawa forecasts that live cattle imports will decline in 2027, off an estimated record level of imports in 2026. A smaller Canadian calf crop, drought in the United States, and lower priced dairy-on-beef feeders have sustained large volumes of imports of U.S. feeder cattle in recent years. This trend has continued to persist despite tightening cattle supplies in the United States and the closure of the U.S.-Mexico border due to New World Screwworm; the U.S.-Mexico border has begun a phased process of re-opening select ports of entry. Whereas drought conditions have mitigated across most of the Canadian prairies, severe drought conditions continue to persist through the U.S. Midwest, which will continue to support U.S. feeder cattle moving into Canada through the second half of 2026.

Figure 3- Canadian Imports of Non-Breeding Cattle from the United States



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

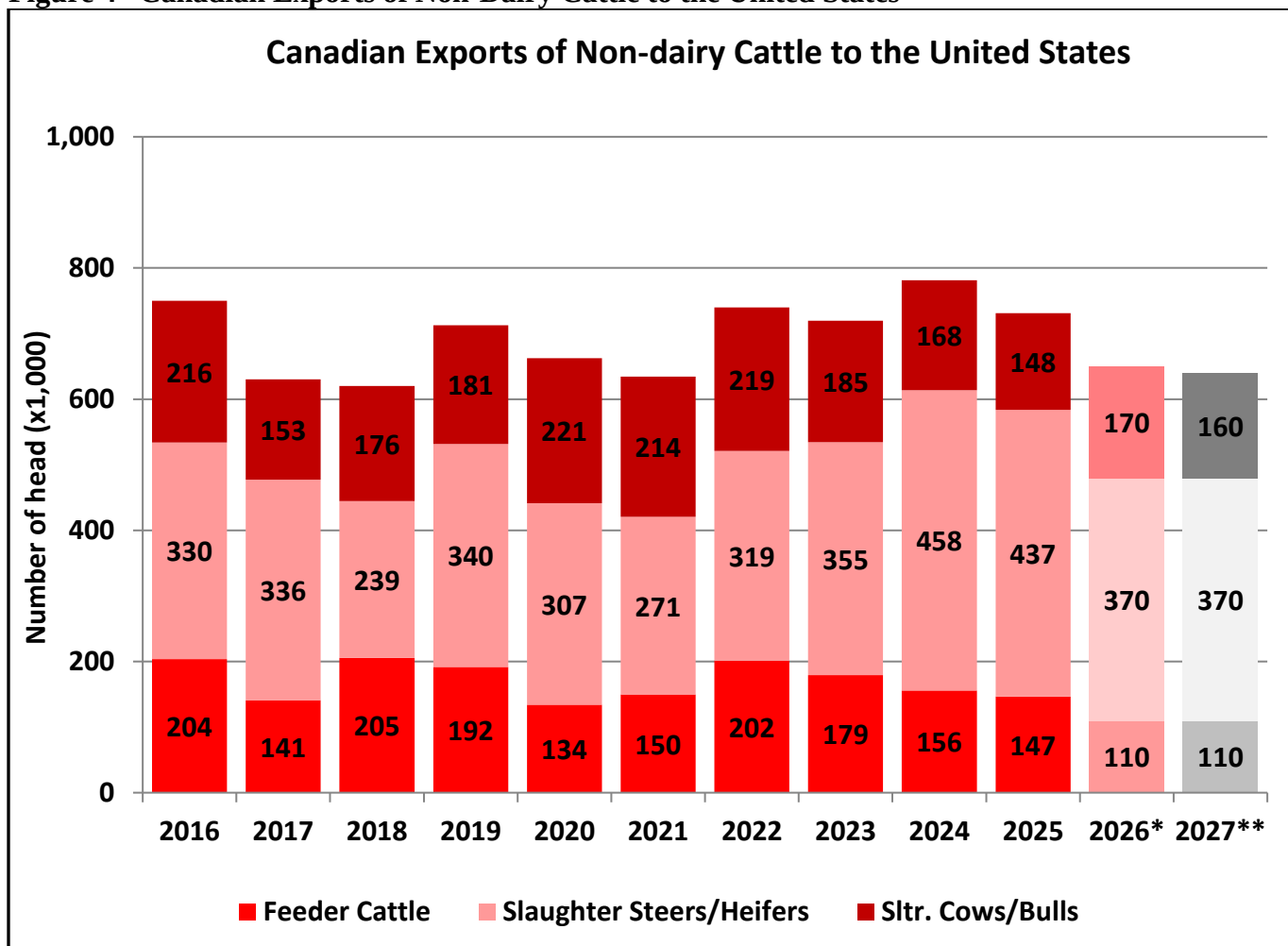
With higher fuel costs and indications of higher costs for certain feeds, FAS/Canada forecasts that import of U.S. cattle will begin to slow. A larger domestic calf crop in 2027 and ample on-feed numbers, combined with reduced feeder profitability, will see live imports decline in 2027. Uncertainty is also likely to weigh on cattle feeders given the erosion of trade talks between Canada and the United States and potential for shifting policies.

Canada has imported a record number of U.S. cattle through the first half of 2026. This has supported substantial year-over-year growth in on-feed numbers with on-feed numbers for Alberta and Saskatchewan in June up 15 percent over 2025. Based on current numbers, larger volumes of finished cattle should be materializing in the first half of 2027. Canadian feedlots found a niche market in feeding dairy steers in 2017 and have evolved into importing large numbers of beef-on-dairy animals from the United States. These animals are slower to finish with a poorer gain efficiency, however, feeders have found that a mix of dairy-on-beef and traditional beef breed feeders can improve profit margins, given the often bargain pricing of dairy-on-beef feeders. Larger feedlots have also found a way to economize freight logistics by picking up a load of feeder cattle after delivering a load of fed cattle into the United States. However, rising fuel prices and consolidation in the U.S. processing sector is likely to start to shift this pattern in 2027.

While there was discussion in the Canadian feeding industry about exploring opportunities to import feeder cattle from overseas given tight supplies and high prices between Canada and the United States last year, this discussion is less prevalent in 2026. The rumors about explorations on sourcing feeders from Australia and New Zealand in 2025 have not materialized in access for imports at this time. As the

Canadian herd moves into expansion, feeders are less likely to explore this possibility in coming years, especially given freight and animal health logistics.

Figure 4– Canadian Exports of Non-Dairy Cattle to the United States



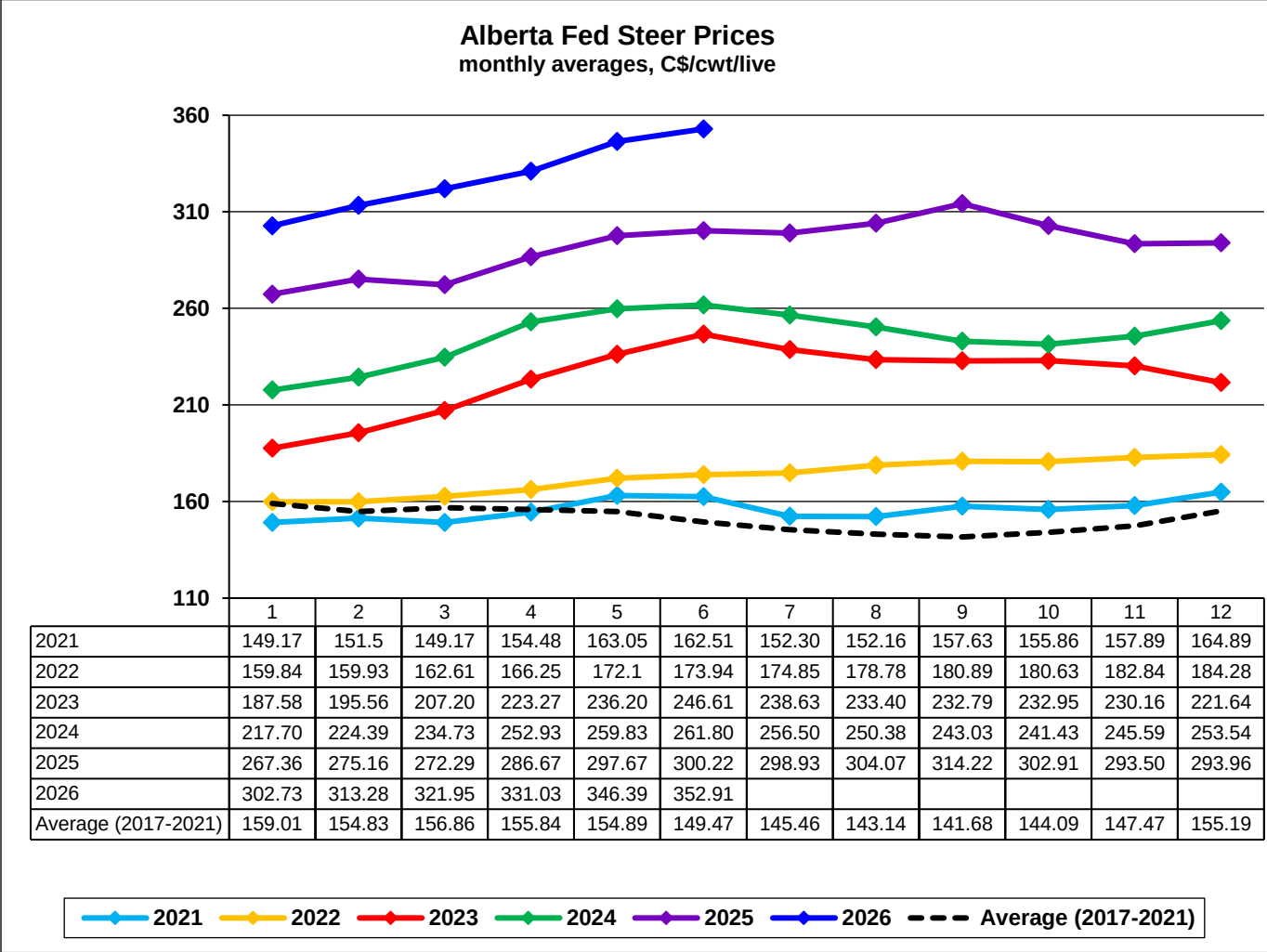
Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

In general, export demand to the United States has been weaker in 2026. FAS/Ottawa forecasts live exports to decline slightly in 2027, following a decline in 2026. A tighter supply in the United States and ample on-feed numbers in Canada should continue to support fed exports. However, increased heifer retention will impact supply of fed heifers available for export in 2026. Consolidation and restructuring in the U.S. packer sector is also creating uncertainty. Eastern Canada now has fewer options for export to U.S. processors with the closures in Illinois and Pennsylvania. These closures will also likely see more competition for hook space from U.S. cattle in the east with fewer options for processing. While the Tyson plant in Washington state is slated for sale, should that plant close, it would be impactful to Canada's export options as the plant has a historic connection to fed cattle in Western Canada. Canadian packers will continue to seek a steady supply of cattle as beef export demand remains strong.

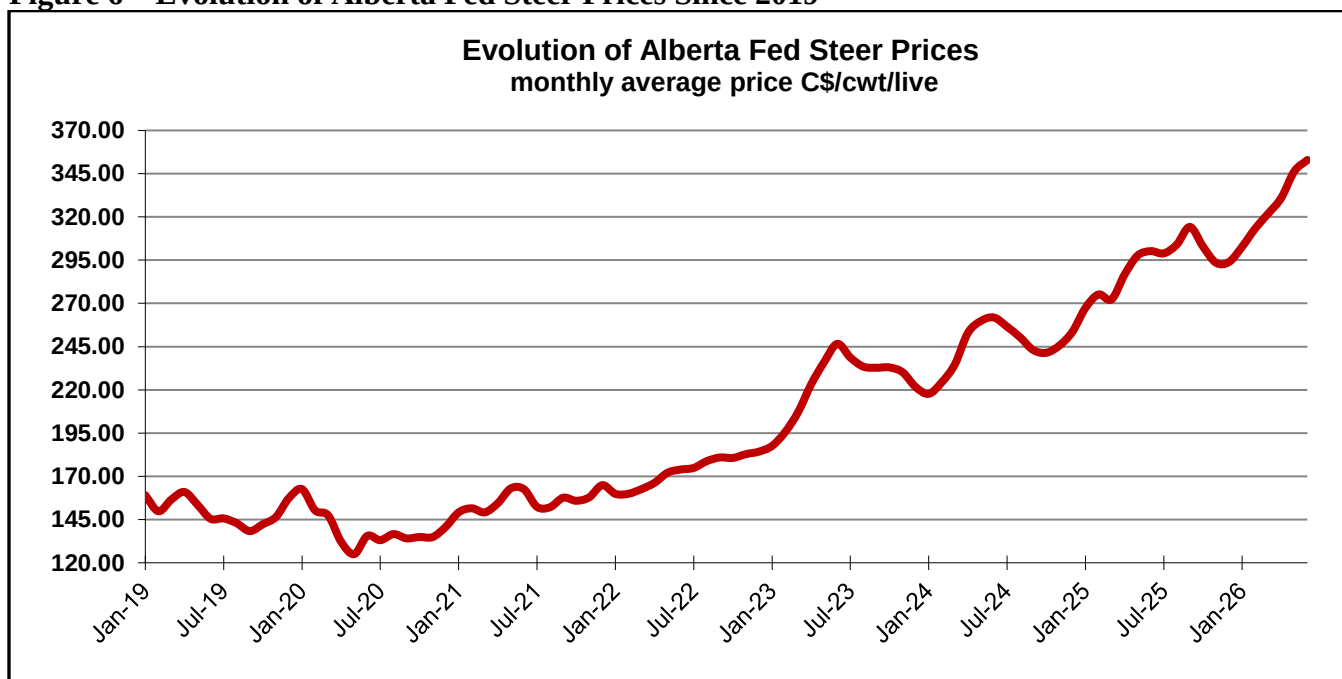
With efforts to rebuild the U.S. herd, import of Mexican cattle flowing through some ports once again, and ongoing drought conditions in the U.S. Midwest, FAS/Canada is forecasting a slight decline in feeder cattle exports compared to 2026. Canada is forecast to be a net feeder cattle importer in 2027.

Figure 5 – Monthly Average of Alberta Fed Steer Prices



Source: CanFax

Figure 6 – Evolution of Alberta Fed Steer Prices Since 2019



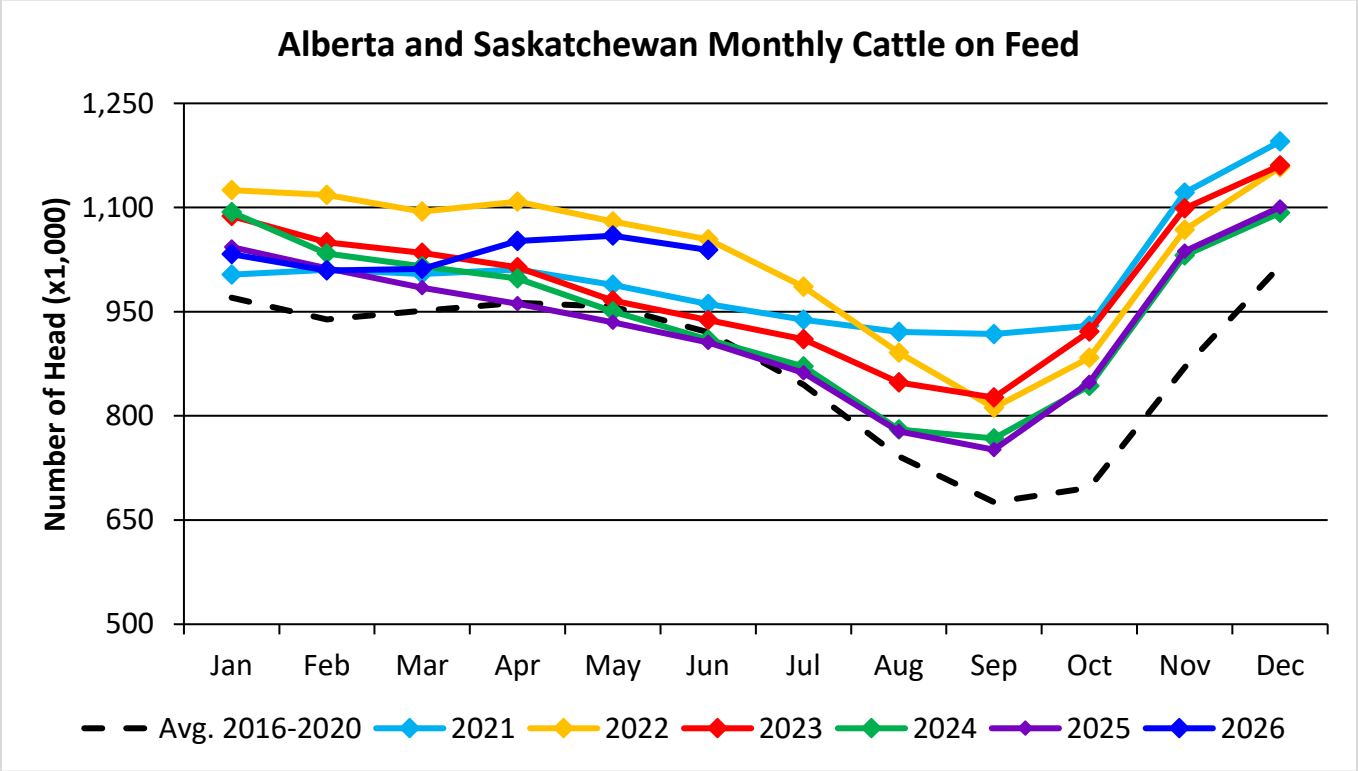
Source: CanFax

Slaughter: Herd Rebuild Builds Slaughter Numbers

FAS/Ottawa forecasts a slight increase in slaughter in 2027, following an estimated two percent reduction in 2026. Decreased cow and heifer slaughter will continue to impact slaughter numbers, however, increasing heifer retention and rebuilding breeding numbers is critical for herd rebuilding efforts. Large volumes of feeder cattle imports in 2026 will support the slight rebound in 2027 slaughter numbers, as those animals reach slaughter weight. Current cattle on-feed numbers are substantially higher than a year ago. A significant number of imports are likely beef-on-dairy type, and they typically take a few months longer to finish compared to a pure beef animal, which should mean good supply of market ready, fed cattle headed into 2027. A slightly larger 2026 domestic calf crop and fewer cattle exports to the United States will also support increased 2027 slaughter volumes. Packers will continue to be price conscious, but strong export value and demand will support keeping numbers steady.

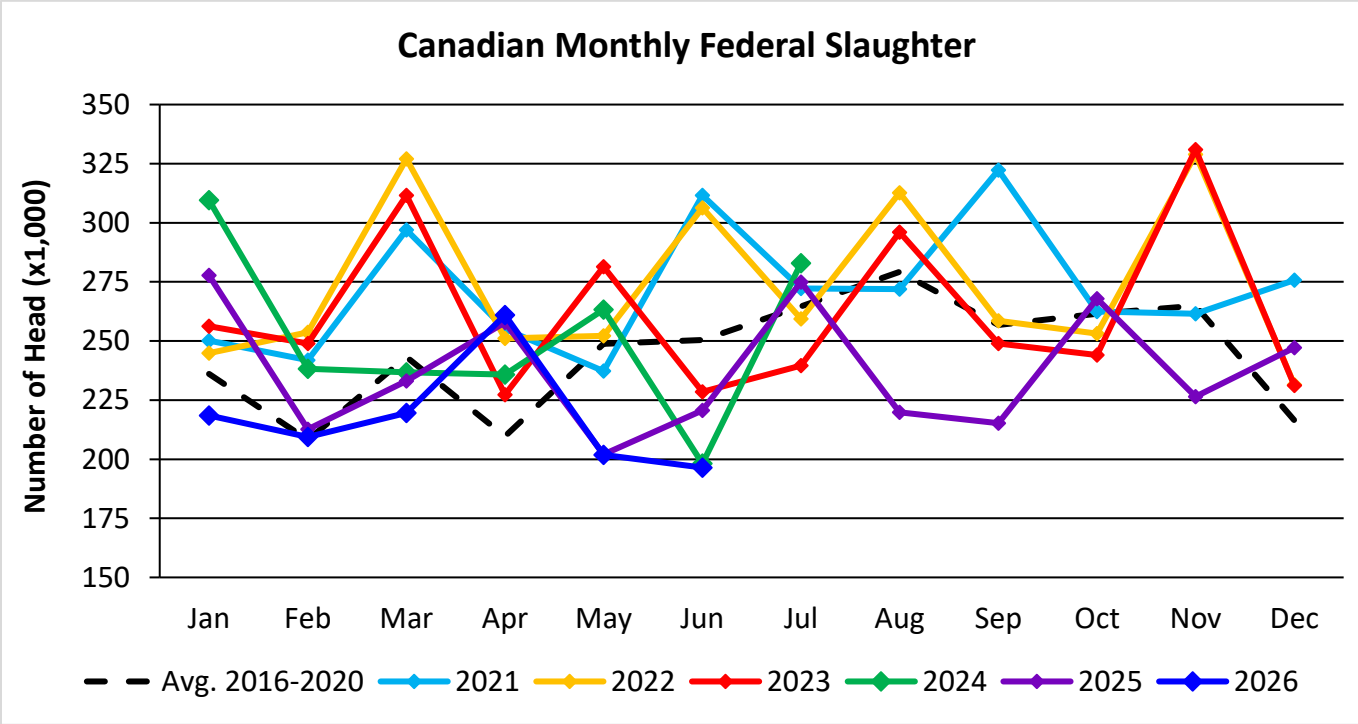
Consolidation in the processing sector in the United States also has the potential to impact Canadian cattle exports, especially for fed and non-fed exports. This is most likely to impact Eastern Canada in the near-term as closures in Illinois and Pennsylvania make Michigan the likely plant for slaughter-bound exports from Eastern Canada. Eastern U.S. processing capacity is particularly important for non-fed cattle in Eastern Canada and there will now be more competition for hook space at the Michigan processing facility. In the west, the Pasco, Washington processing plant, currently slated for sale and not closure, will have the potential to impact Canada's exports. The plant has a historical reliance on Canadian cattle to fill capacity, and while fewer exports have been reported thus far in 2026 to that plant, it is still an important facility for cattle in Western Canada. Successful sale of the plant, continued operation and demand for Canadian cattle is the outcome cattle feeders in Western Canada will want to see.

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	2025		2026		2027	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	3,221	3,250	3,300	3,200	0	3,240
Beginning Stocks	38	38	42	42	0	40
Production	1,260	1,290	1,315	1,300	0	1,315
Total Imports	314	314	320	330	0	335
Total Supply	1,612	1,642	1,677	1,672	0	1,690
Total Exports	560	560	575	590	0	600
Total Dom. Consumption	1,010	1,040	1,057	1,042	0	1,050
Ending Stocks	42	42	45	40	0	40
Total Distribution	1,612	1,642	1,677	1,672	0	1,690

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

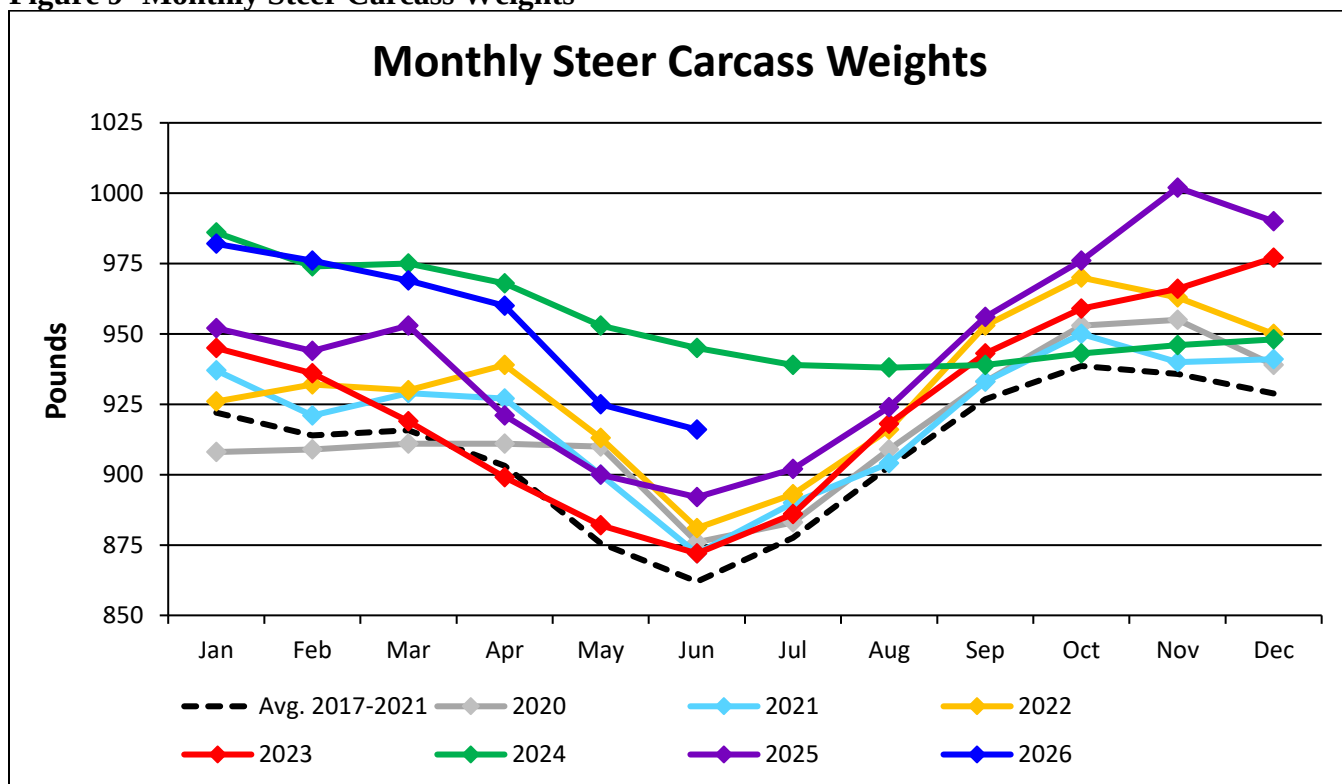
Data in '000 metric tons, except for "slaughter" which is in '000 head

Beef Production: Continued Growth

FAS/Ottawa forecasts a one percent increase in beef production in 2027, following an estimated one percent increase in 2026. Higher carcass weights in 2026 will support beef production despite the reduction in slaughter volume, while 2027 will see slaughter grow slightly by one percent to support beef production. Beef output per animal has generally been trending higher in Canada across several years. This trend has helped to offset impacts from lowering herd and slaughter numbers. Weights are likely reaching their peak in terms of gain efficiency and carcass quality; therefore, larger slaughter numbers will become necessary to substantially grow beef production moving forward.

Canada has now updated official beef production numbers for 2024 and 2025. Statistics Canada has moved to a reduced reporting schedule on beef production, meaning that official production data will only be published every two years. As a result, the previous official update was only current to 2023 until this year's release. The updated data confirms that carcass weights trended higher in 2024 and 2025, with a substantial increase in 2025 carcass weights as calculated from number of head slaughtered and reported beef production. This was driven by higher weights in the back portion of 2025. Weights reported through 2026 have outpaced the 2025 monthly averages year-to-date; therefore, FAS/Ottawa estimates that 2026 production will be one percent larger than 2025; slaughter is estimated to be two percent lower.

Figure 9- Monthly Steer Carcass Weights



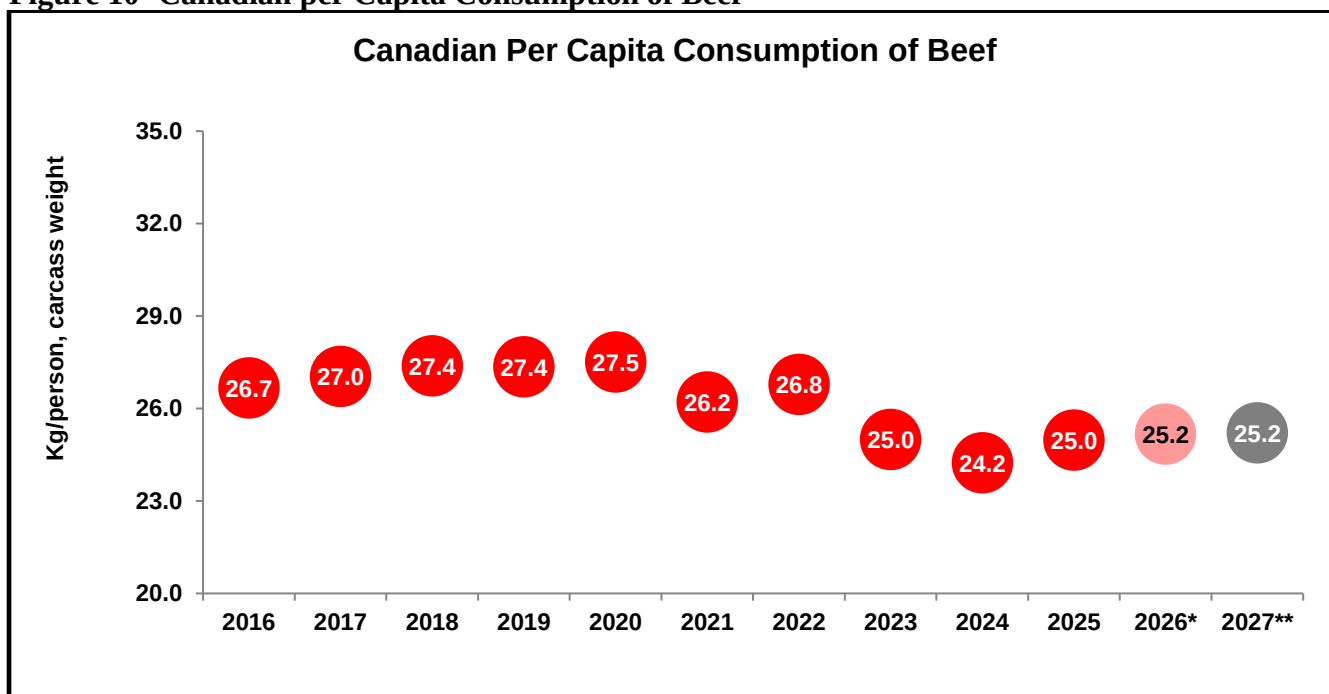
Source: CanFax

Beef Consumption: Consumption Relatively Stagnant

FAS/Ottawa forecasts beef consumption to remain relatively stagnant as Canada's population growth has curbed and beef prices impact consumer purchasing. However, despite high prices, beef demand has remained resilient and per capita consumption is forecast to remain flat. 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 Canada has revised its immigration strategy in response. As a result, Statistics Canada has reported a year-over-year population decrease for Canada from July 2025 to July 2026. This has been the result of a reduction in issuance of certain temporary work visas and reforms to temporary foreign worker programs for some sectors as well as a reduction in international study permits. Expectations are that the population decline observed will correct slightly in 2027, as immigration numbers increase. However, the current immigration strategy is unlikely to see a return to the pace of population growth that was observed post-pandemic up through 2024.

Figure 10- Canadian per Capita Consumption of Beef



Source: Statistics Canada, FAS/Ottawa

Note: *estimate **forecast

Beef Trade: Imports to Supplement Export Activity

FAS/Ottawa forecasts beef imports to continue to grow in 2027, forecast a two percent increase in import volume off of an estimate five percent increase for 2026. As production and supplies in North America tighten and prices increase, beef imports from lower cost regions become increasingly attractive. Canadian consumers continue to value beef but there is an ongoing shift to consuming more ground beef, supporting higher volumes of lean trim imports. This continues to support growth in imports from Australia, New Zealand, and South America. Filling of safeguard quotas to China by Australia and Brazil are likely to see import volumes from those countries strengthen in the second half of 2026 as additional product is marketed globally. Industry and the Government of Canada continue to closely watch supplemental imports from certain countries for pricing discrepancies. Relatedly, Canadian industry continues to monitor volume growth out of South America, especially Brazil, Paraguay, and Argentina. While the U.S. has announced an up to 300,000 MT increase for quota-free imports of lean beef trimmings, it is not anticipated that this would disrupt Canada's import activity.

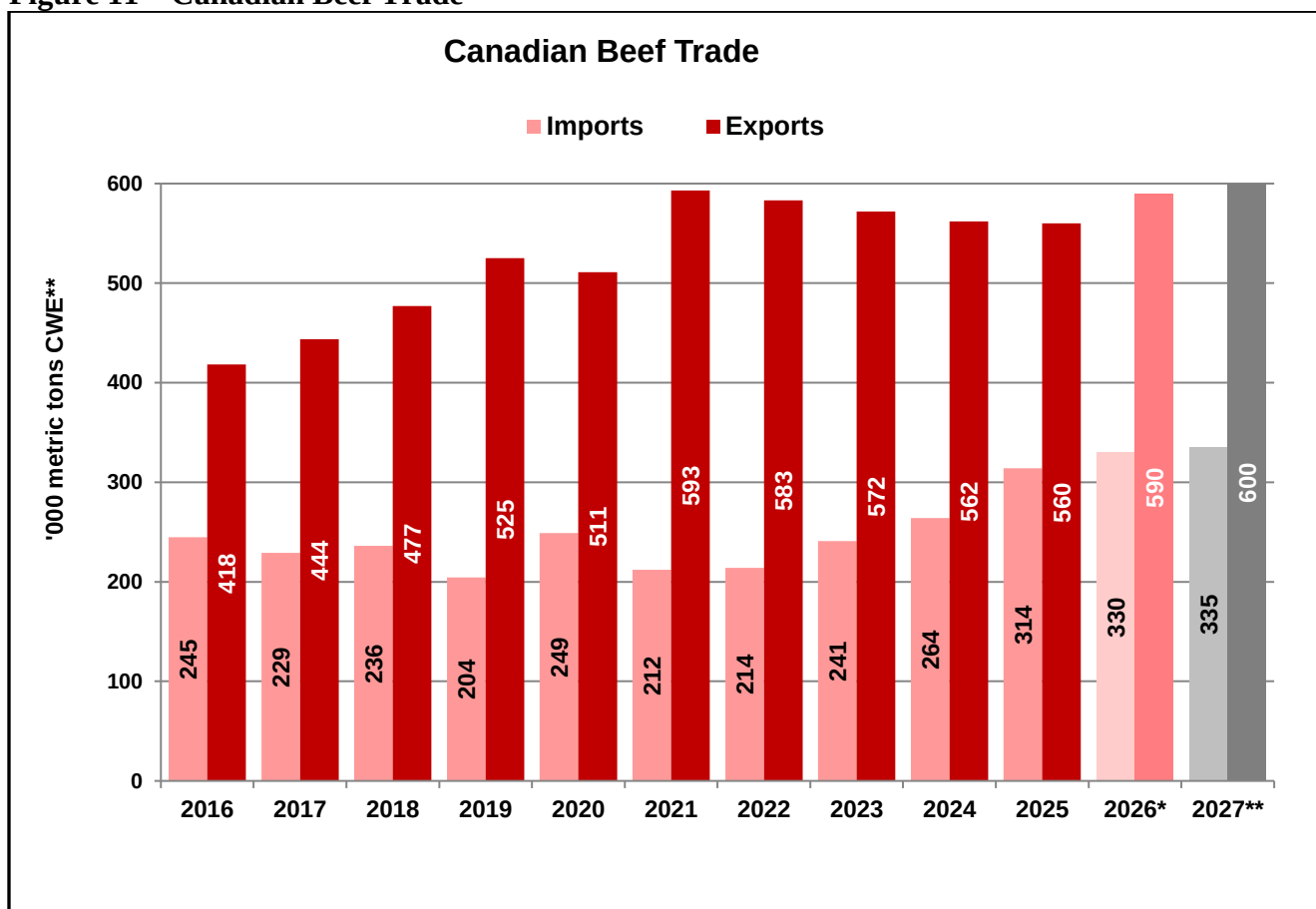
Retailers have continued to source and offer lower priced muscle cuts from alternative markets in an effort to appeal to price sensitive consumers. Muscle cuts from Australia, Mexico, and New Zealand have been observed at retail periodically. Both Australia and New Zealand enjoy preferential access to Canada as members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Imports from Mexico have continued to grow year-over-year. With disruption to live cattle exports to the United States due to New World Screwworm, Mexico has seen more domestic processing. In turn, this has meant a shift to exporting more beef rather than feeder cattle. As the Mexico-United States

border reopens to live cattle, it will be interesting to see if this results in reduced beef exports from Mexico or if the success of increasing beef exports will see beef export volumes maintained.

Canada's imports of beef from the United States are down 17 percent through the first half of 2026. This is primarily driven by tight U.S. supplies, high prices, and a weaker Canadian dollar. Consumer sentiment may also be at play given frosty Canada-U.S. relations. 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 continue to remain a top source market for imports. However, pricing and available cattle supplies in the United States are likely to continue to weigh negatively on exports to Canada through 2027.

Figure 11 – Canadian Beef Trade



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

FAS/Ottawa forecasts beef exports to grow two percent in 2027 on global beef demand. FAS/Canada is now estimating that 2026 beef exports will be five percent larger than 2025. 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 makes Canadian beef exports more competitive than U.S. beef and the rebuilding of the Canadian herd is a step ahead of the U.S. herd which should position Canada favorably for continued beef export demand.

Following a multi-year loss of market access to China, Canadian beef can once again move into the market. China has shown demand for Canadian beef as export volumes have been strong, and the Chinese market was the second largest export market by volume for Canadian beef through the first half of 2026. Industry expects that demand will continue, however, geopolitical tensions are always a concern and have emerged frequently between Canada and China over the past decade. Agricultural products are often a target of China's responses when issues emerge. However, the current Canadian government has been pursuing renewed relations with China, amongst other trade partners, and investment in relationships in the region has paid off positively to date.

Canada continues to see tariff rates lowered through agreements such as CPTPP. Canadian beef enjoys tariff free access to Vietnam, and as beef demand has risen, Canada has grown exports to the region. As Canada has a focus on targeting Asian markets, it is expected that Canada will look to continue strong export activity to Vietnam.

Canadian beef continues to remain at a disadvantage to U.S. beef to South Korea; U.S. beef is now tariff free while Canadian fresh, chilled and frozen beef is not scheduled to see tariffs fully eliminated until 2030. Canadian exports to South Korea have struggled year-to-date, however, anticipated strong consumer demand could see exports pick up in the second half of 2026, especially as Australia has filled its quota and will now face an above quota tariff rate. Expectations of growth in South Korean beef demand could see demand pick up for Canadian beef in 2027.

Overall, 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. However, Canada remains focused on diversifying away from the U.S. market, and current Canada-U.S. tensions creates uncertainty. While Canada will look to increase volumes into non-U.S. markets, a large consumer base, lower transport costs and simpler transport logistics, will continue to support Canadian beef exports to the United States.

Table 3- Canadian beef and veal exports.

Canada Beef and Veal Exports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2026/2025	
	2024	2025	2026	2024	2025	2026	Volume	Percent
World	283,756	267,438	286,571	100	100	100	19,133	7
CPTPP	33,487	31,782	32,331	12	12	11	549	2
EU	517	711	979	0	0	0	268	38
United States	231,151	215,482	216,405	81	81	76	923	0
Japan	19,370	16,299	14,431	7	6	5	-1,868	-11
China	32	35	17,943	0	0	6	17,908	51166
Mexico	13,717	15,180	17,688	5	6	6	2,508	17
South Korea	8,143	8,512	3,121	3	3	1	-5,391	-63
Vietnam	4,546	5,012	9,077	2	2	3	4,065	81
All other countries	6,797	6,918	7,906	2	3	3	988	14

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 2026/2025	
	2024	2025	2026	2024	2025	2026	Volume	Percent
World	127,055	155,689	167,921	100	100	100	12,232	8
CPTPP	21,166	35,305	41,211	17	23	25	5,906	17
EU	5,308	4,802	2,528	4	3	2	-2,274	-47
United States	64,676	58,046	48,395	51	37	29	-9,651	-17
New Zealand	13,993	26,188	30,889	11	17	18	4,701	18
Australia	16,657	23,983	38,653	13	15	23	14,670	61
Mexico	6,645	7,559	8,566	5	5	5	1,007	13
Brazil	4,771	6,576	17,716	4	4	11	11,140	169
Paraguay	0	11,617	9,855	0	7	6	-1,762	-15
All other countries	20,313	21,720	13,847	16	14	8	-7,873	-36

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)	2025		2026		2027	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Forecast
Total Beginning Stocks	13,980	13,990	13,875	14,020	0	14,100
Sow Beginning Stocks	1,202	1,205	1,207	1,210	0	1,225
Production (Pig Crop)	30,363	30,475	31,100	31,300	0	31,400
Total Imports	1	1	2	4	0	2
Total Supply	44,344	44,466	44,977	45,324	0	45,502
Total Exports	6,995	6,995	7,235	7,400	0	7,430
Total Slaughter	21,965	21,944	22,300	22,300	0	22,350
Loss	1,509	1,507	1,442	1,524	0	1,522
Ending Inventories	13,875	14,020	14,000	14,100	0	14,200
Total Distribution	44,344	44,466	44,977	45,324	0	45,502

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

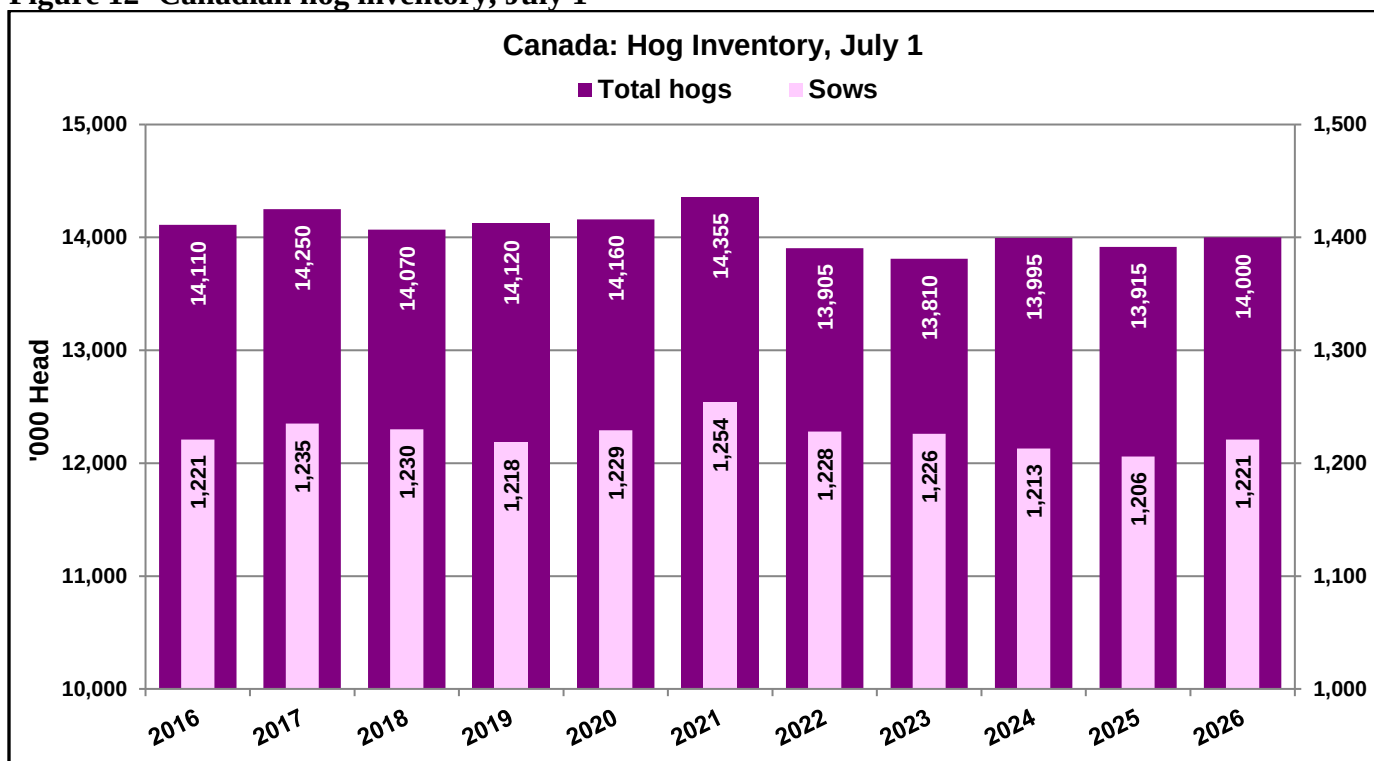
Note: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

Production: Swine Herd to See Some Growth

FAS/Ottawa forecasts a slight increase in the Canadian swine herd for 2027. Some idled sow barns in Western Canada may be coming online, and new construction is expected to add some finishing spaces. Lower feed costs and strong pricing having driven this optimism through the first half of 2026, however softening pork demand in the United States and volatility in the Canada-U.S. relationship may mitigate growth optimism.

The sow herd is forecast to grow one percent in 2027 following relative stability to begin 2026. Mid-year inventory reports suggest that producers are expanding the breeding herd once again and there are reports of some idled sow barns likely to return to production. While there is new construction occurring, rising construction costs and market uncertainty may curb earlier intentions for additional construction that would result in significant net gains in production space. A significant amount of barn retrofitting and construction is related to the requirement to transition to group sow housing by July 1, 2029, these activities will not necessarily result in a gain in sow production space. The processing sector restructuring in Quebec has finalized and while there is no increased capacity in Eastern Canada slaughter at this time, there has been growth in capacity utilization in Western Canada. Producers appear optimistic with the first half of 2026 sows bred to farrow, 1.263 million, the highest number reported since the first half of 2020.

Figure 12- Canadian hog inventory, July 1



Source: Statistics Canada

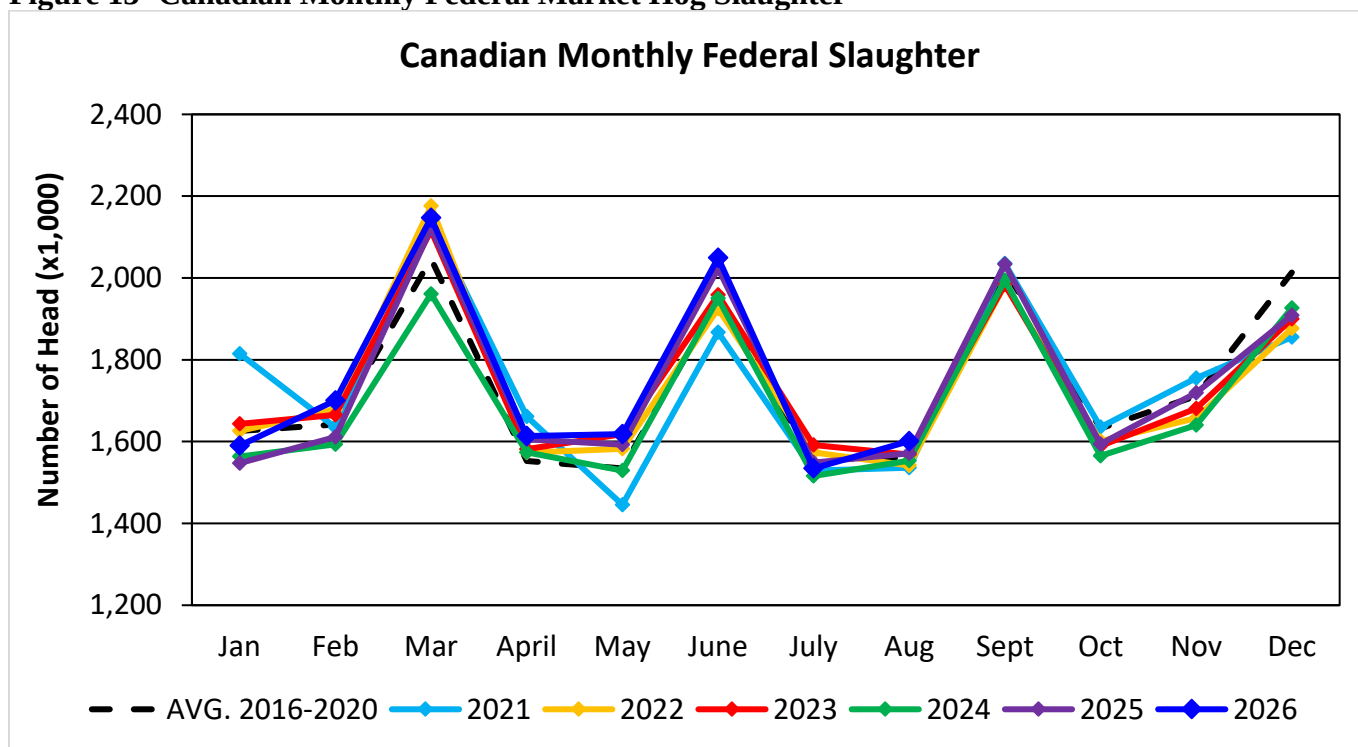
Production to sows also appears to be strengthened in 2026. Good feed quality and low levels of disease are likely supporting increased sow productivity. FAS/Canada forecasts a relatively stable pig crop for 2027 but estimates that the 2026 pig crop will be three percent higher than 2025 based on a larger breeding herd and improved sow fertility. The first half of the pig crop for 2026 is reported as four percent larger compared to 2025. This was driven by the larger number of sows bred to farrow. The July 1 inventory report suggests that sows and gilts on farms are one percent higher than July 1 2025, another indicator that the 2026 pig crop will surpass 2025. Canadian producers continue to consciously focus on improving biosecurity practices which they credit with the reductions in incidence of porcine epidemic diarrhea virus (PEDv) and porcine reproductive and respiratory syndrome (PRRS) outbreaks.

Expanded utilization of Western Slaughter capacity continues to support production. Expansion of cull sow slaughter capacity has driven some of this expansion while increased capacity utilization has also been observed in existing plants. Export demand for pork has been a contributor.

Mirroring the forecast on the pig crop, FAS/Ottawa forecasts that slaughter will remain stable in 2027, following an estimated two percent increase in slaughter in 2026 compared to 2025. Larger pig crop numbers and cull sow slaughter capacity, seeing fewer cull sows to the United States, will support the increased number of head slaughtered in Canada.

At the July 1 inventory update, Statistics Canada revised the 2025 pig crop up and 2025 slaughter was reduced, this led to a beginning inventory revision upward. It also changed the original inventory report for the beginning of 2026 from a herd contraction to expansion. Consequently, FAS/Canada has revised estimates for 2026 upwards for pig crop, slaughter, and live exports.

Figure 13- Canadian Monthly Federal Market Hog Slaughter



Source: Agriculture and Agri-Food Canada

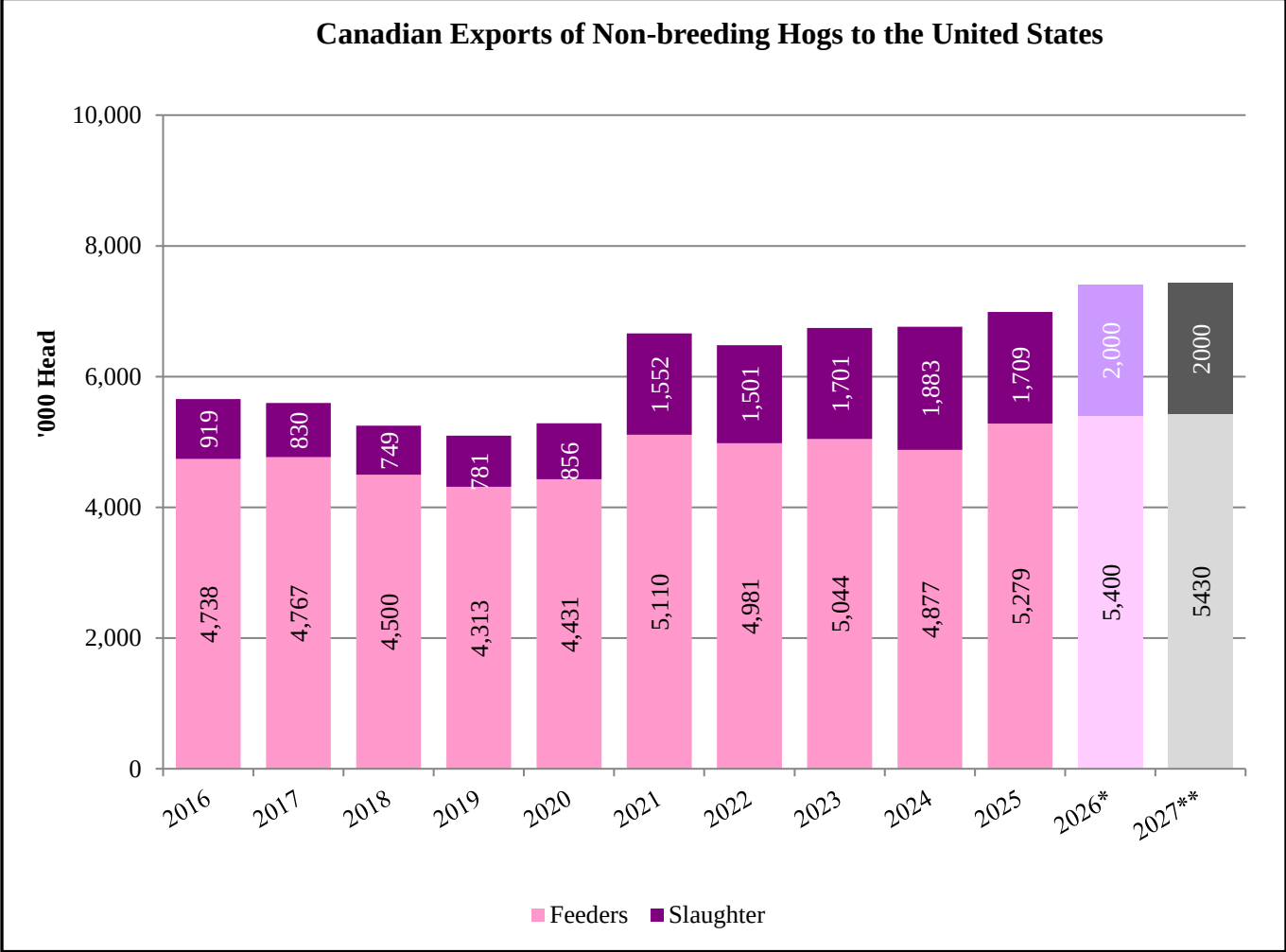
Trade: Live Exports Steady

FAS/Ottawa is forecasting live exports to remain steady in 2027, following an estimated six percent growth in live exports in 2026. It is likely that 2026/2027 will set a new record in the volume of live exports. Both weanling exports and market hog exports are driving the trend. Canada's exports of market hogs to the United States have 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 then 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. While 2025 saw market hog exports to the United States decline and expectations were that volumes would slowly return to levels more in line with pre-covid export patterns, instead, market hog exports have increased substantially in the first half of 2026. Reports are that Ontario producers have now established relationships with U.S. processors given the need to market more volumes in recent years and have now secured longer term contracts to continue to support market hog exports to the United States. Ontario has seen some expansion of production and with limited processing capacity domestically, there are signals that producers see marketing in the U.S. as a sustainable option at present. However, uncertainty and discussions about revitalizing mandatory country of origin labeling (mCOOL) in the United States could impact this shift. Prior to mCOOL implementation, in the early 2000's Canada regularly exported market hog volumes around 2 million head annually. That number dropped precipitously following mCOOL and had not recovered in the years since mCOOL was repealed; the Canadian hog herd had also declined during that time. As the hog herd has slowly expanded again and production per sow has grown significantly, a smaller U.S. hog herd has seemingly allowed a more robust trade in market hogs to begin to develop once again.

FAS/Ottawa is forecasting a steady weanling/feeder hog exports to the United States in 2027 following growth in exports in 2026. A larger Canadian pig crop and smaller U.S. pig crop is driving this trend along with favorable exchange rates. Weanling prices have been strong through the first half of 2026; however, prices are now declining and input costs continue to rise. If this trend is sustained, this could slow production in 2027, but indications of breeding and production levels thus far in 2026 suggest that volumes should remain robust into early 2027. There continues to be longstanding cross-border relationships between Canada and the United States for Canadian feeder exports, especially from the Prairies. Canadian industry continues to monitor for any impacts of the “Product of USA” voluntary labeling as well as developments on mCOOL. Concerns remain that depending on market uptake and demand, a downward pressure on live exports from Canada could materialize if retailers and consumers show preference for the label.

Cull sow exports to the United States should continue to remain lower given the added capacity for sow processing in Western Canada.

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	2025		2026		2027	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	21,965	21,944	22,300	22,300	0	22,350
Beginning Stocks	81	81	74	74	0	80
Production	2,145	2,150	2,190	2,190	0	2,200
Total Imports	218	218	215	210	0	200
Total Supply	2,444	2,449	2,479	2,474	0	2,480
Total Exports	1,331	1,331	1,380	1,330	0	1,320
Total Dom. Consumption	1,039	1,044	1,029	1,064	0	1,080
Ending Stocks	74	74	70	80	0	80
Total Distribution	2,444	2,449	2,479	2,474	0	2,480

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 2027 pork production to remain relatively steady on an estimated two percent increase in production in 2026. Larger slaughter volumes will support the 2026 increase in production while carcass weights appear to have topped following a multi-year trend towards higher carcass weights. Quebec has experienced consolidation in their processing capacity, as one of the large processors, Olymel, completed restructuring and removed some older slaughter lines from production, however, profitability and export demand have driven increased capacity utilization in Western Canada. Additionally, cull sow processing in Canada has expanded in Canada in recent years. These factors combined with a larger pig crop point to growth in slaughter volumes for 2026 and 2027.

Statistics Canada has now released the 2025 pork production data and has revised the 2025 slaughter number downward. The official pork production statistics for 2024 and 2025 were slightly higher than

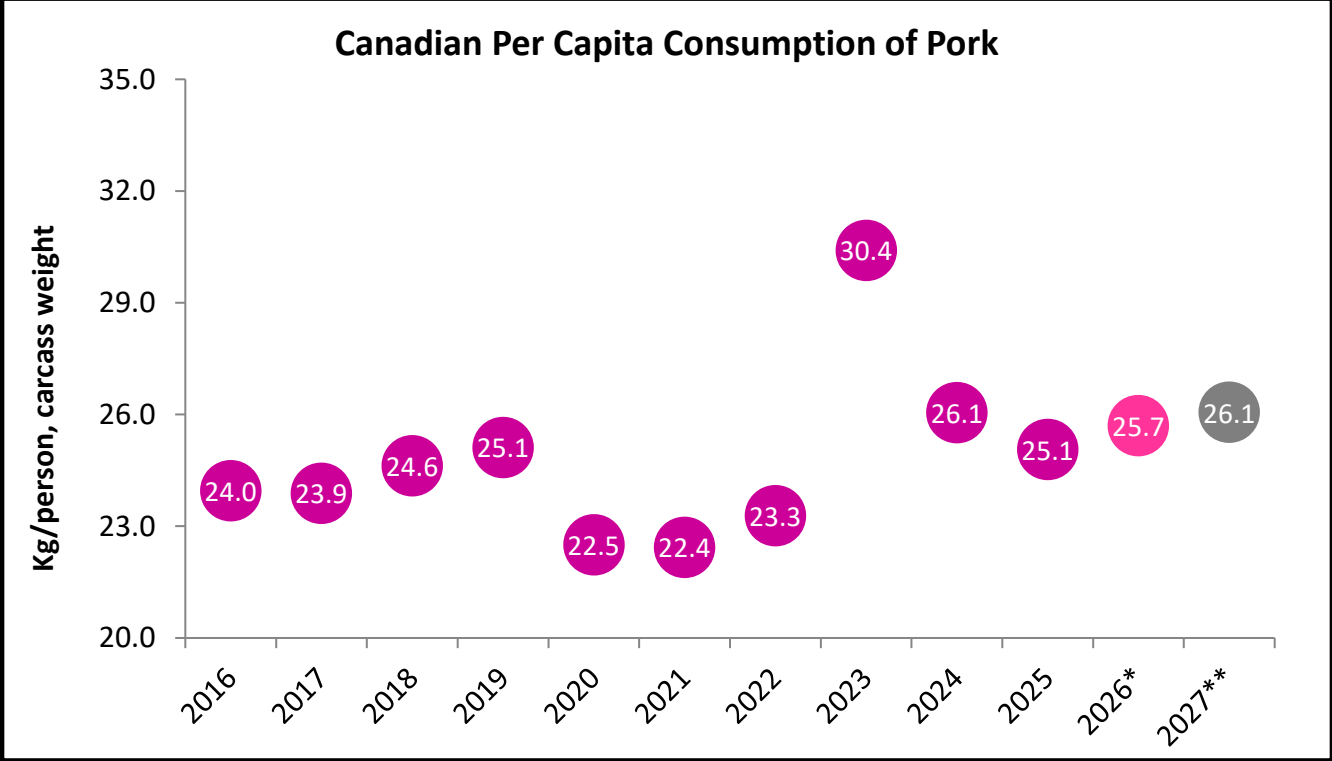
the estimate from FAS/Canada, however, the estimate that hog carcasses were reaching a ceiling on weight was confirmed for those years. FAS/Canada continues to forecast that hog carcasses will not move to a higher weight, barring a significant processing sector disruptor.

Pork Consumption: Domestic Consumption Slowly Increasing

Domestics pork consumption has continued to struggle in Canada, with the bump to consumption in 2023 failing to be sustained long term. This is despite competitive pricing relative to beef. However, as consumers increasingly target savings at the grocery store, and with a popular focus on maximizing protein intake, pork appears primed to see more domestic support. However, an ongoing factor impacting pork consumption in Canada is population growth from demographics who are traditionally non-pork consumers due to cultural or religious reasons. Marketing efforts and pricing will not result in this demographic switching to pork relative to other proteins.

Canada saw strong population growth through 2024 fueled primarily by immigration. There was significant pushback from Canadians against these elevated immigration numbers, and Canada has revised its immigration strategy in response. As a result, Statistics Canada has reported a year-over-year population decrease for Canada from July 2025 to July 2026. This has been the result of a reduction in issuance of certain temporary work visas and reforms to temporary foreign worker programs for some sectors as well as a reduction in international study permits. Expectations are that the population decline observed will correct slightly in 2027, as immigration numbers increase. However, the current immigration strategy is unlikely to see a return to the pace of population growth that was observed post-pandemic up through 2024.

Figure 15- Canadian per Capita Consumption of Pork



Source: Statistics Canada

Pork Trade: Export Demand Curbing

FAS/Ottawa forecasts pork exports to fall one percent in 2027, following stability in export volumes in 2026. Canada's pork industry is highly export-dependent, with 60-70 percent of production exported annually. Pork exports have enjoyed robust demand in recent years as African Swine Fever (ASF) has impacted production in large pork consuming markets and global demand for pork has grown. However, global demand is forecast to stagnate in 2027 and the recovery of herds in many countries decimated by previous outbreaks of ASF will likely weigh down on export demand. While these factors will put negative pressure on export demand, quality of product and a favorable exchange rate with the Canadian dollar for many markets will continue to support export activity.

The Government of Canada remains steadfastly committed to export diversification, particularly in reducing dependence on the U.S. market. 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 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 target market for Canadian pork and certain tariff lines will be eliminated by 2027. Canadian pork exports to Japan are lower paced by volume year-to-date in 2026 following a strengthening of the Canadian dollar compared to the Japanese yen. A weakening Canadian dollar will like spur increased demand to support exports to Japan through the remainder of the year.

The European Union and the Comprehensive and Progressive Trade Agreement (CETA) continues to be an irritant for the Canadian pork industry due to non-tariff barriers to trade. As exporters increasingly focus on the Indo-Pacific, exports to the EU will continue to stay at minimal volumes.

Mexico has emerged as an increasingly important trading partner for Canada's pork exports. As the Mexican peso has strengthened against the Canadian dollar, higher volumes of Canadian pork exports have flowed to that market. Strong Mexican demand amidst limits to domestic production will continue to see the market perform strongly through 2027.

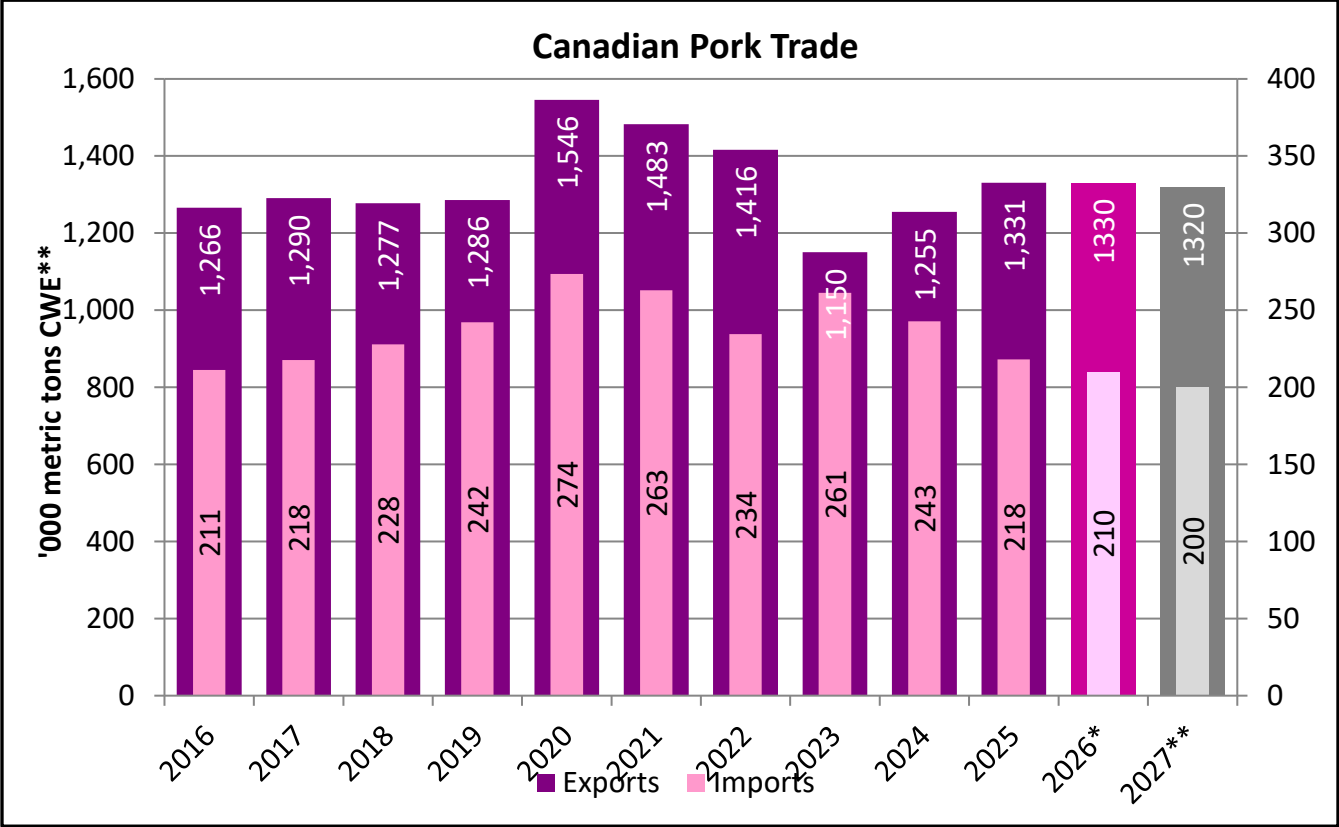
Columbia has also emerged as a volume growth market for Canadian exports. Canadian pork enters Columbia tariff free as a result of the tariff phase-out following the signing of the Canada-Columbia Free Trade Agreement. Export volumes to Columbia have more than doubled through the phase out of tariffs. Canadian and U.S. pork will continue to see competition in the market but exports from both countries should be supported by strong demand from Colombian consumers.

The United States will continue to remain the dominant export market for Canadian pork exports given geographic proximity and established supply chains. Despite reports of weaker demand, Canadian pork continues to see strong demand from the United States with export volumes up six percent year-over-year. Canadian product is likely backfilling as the United States has seen sustained export demand for U.S. pork. The exchange rate is also favorable for importing Canadian pork. Canadian producers and exporters will continue to monitor the voluntary "Product of USA" label for any impacts on Canada's pork exports to the United States. Concerns over tariffs and changing trade environments will also see Canada remain focused on diversification opportunities for 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. While resolution on several agricultural commodities has been achieved as Canada-China tensions have eased, as of writing, select Canadian pork exports to China continue to face a 25 percent retaliatory tariff. This in combination with increased Chinese domestic production will limit any export growth for Canadian pork to that market.

Export volumes to the Philippines have dropped as Brazil has become more competitive in the market and Canadian exports have shifted with demand. The Philippines is also working towards recovering their domestic herd from ASF outbreaks, which will put downward pressure on imports as domestic production recovers and grows.

Figure 16- Canadian Pork Trade



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

FAS/Ottawa forecasts Canadian pork imports to decline five percent in 2027 on higher domestic production and anticipated lowered export volumes. FAS/Canada estimates that pork imports will decline four percent in 2026. While imports are up year-to-date, domestic demand is not anticipated to climb substantially in either 2026 or 2027, although consumption will see some growth. Storage stocks are estimated to be ample and with an expectation for increased domestic production, import needs should be reduced. However, despite a large domestic industry, Canada will always have a need for imports, especially as Canadian consumers show strong preferences only for select cuts which must be supplemented through imports to attain the needed volumes.

The United States will remain the top supplier to Canada given geographic proximity. Brazil will continue to grow export volumes, especially with production growth. Depending on Canadian consumer sentiment and demand for non-U.S. product, additional importing activity from South America and Europe could occur in 2027.

Table 7- Canadian pork exports.

Canada Pork Exports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2026/2025	
	2024	2025	2026	2024	2025	2026	Volume	Percent
World	644,997	697,608	658,316	100	100	100	-39,292	-6
CPTPP	254,640	313,244	294,570	39	45	45	-18,674	-6
EU	1,196	413	554	0	0	0	141	34
United States	201,883	184,908	201,824	31	27	31	16,916	9
China	35,919	37,904	35,578	6	5	5	-2,326	-6
Japan	154,480	201,900	185,677	24	29	28	-16,223	-8
Mexico	82,279	100,903	103,561	13	14	16	2,658	3
South Korea	36,242	42,124	39,916	6	6	6	-2,208	-5
Philippines	50,270	47,669	20,254	8	7	3	-27,415	-58
All other countries	285,807	267,108	273,330	44	38	42	6,222	2

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 2026/2025	
	2024	2025	2026	2024	2025	2026	Volume	Percent
World	116,378	100,684	109,653	100	100	100	8,969	9
CPTPP	623	1,087	1,067	1	1	1	-20	-2
EU	13,807	13,302	18,814	12	13	17	5,512	41
United States	94,603	78,567	82,067	81	78	75	3,500	4
Denmark	3,848	5,522	8,613	3	5	8	3,091	56
Brazil	6,466	7,069	7,113	6	7	6	44	1
Germany	5,370	3,153	380	5	3	0	-2,773	-88
All other countries	6,091	6,373	11,480	5	6	10	5,107	80

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

Policy:

Reducing Interprovincial Trade Barriers

As part of Canada's announced [National Food Security Strategy](#), the Canadian Food Inspection Agency is [consulting](#) on options to liberalize interprovincial red meat movement when there is unmet slaughter capacity. If the proposal were to proceed, it would provide greater access to slaughter capacity for livestock producers in certain regions, enable provincial abattoirs to utilize unmet capacity, and provide additional volumes for consumers. The proposal, as it stands, is temporary and would be limited to four years' duration. It would also require the agreement of relevant provinces and territories. Currently, only federally inspected meat can be traded interprovincially. Any meat produced by provincial abattoirs is not export eligible.

Proposed Changes to the Enhanced Feed Ban (Bovine Spongiform Encephalopathy (BSE) Related)

Canada achieved BSE negligible risk status from the World Organization for Animal Health (WOAH) in 2021. In 2026, the Canadian Food Inspection Agency (CFIA) opened a [consultation](#) concerning Canada's Enhanced Feed Ban given the low risk status for BSE in Canada at present; the Enhanced Feed Ban was introduced in 2007 as a result of the 2005 classical BSE detections in Canada, the Ban prohibits specified risk material (SRM) from cattle from being used in animal feed and bans the feeding of mammalian proteins to ruminants. CFIA is proposing amending the regulations to align more closely with U.S. requirements. This would include defining eligible SRM, deemed a lower risk SRM, and would permit this eligible SRM to be used in non-ruminant feeds, pet food, and fertilizer. This would provide economic benefits to Canada's cattle sector by reducing the amount of SRM designated for disposal and enabling it to be sold.

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.

China

Following detection of an atypical BSE case in Western Canada in December 2021, China suspended imports of Canadian beef. On January 15, 2026, China resumed beef market access for Canadian beef from approved federal establishments. Canada will fall under the "Other Country" quota for the Chinese beef safeguards at this time.

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. While there have been recent announcements of tariff suspensions and reductions on other Canadian commodities targeted by retaliatory tariffs by China, these announcements have not included any changes to the status of tariffs on Canadian pork at this time.

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](#). On January 10, 2026, the Canadian Food Inspection Agency noted that the final regulations are yet to be published amidst ongoing dialogue with industry, they note that once published, there will be a one-year transition period for regulated parties followed by a graduated enforcement approach.

Indonesia

On February 23, 2026, Canada [announced](#) expanded market access for Canadian beef and market access for Canadian pork to Indonesia. Canadian producers are now able to export over-thirty-month bone-in beef and beef offal; prior access was limited to boneless beef. Nine additional Canadian processing plants also received approval to export to Indonesia. Additionally, the four-month residency provision on cattle imported to Canada for beef to be import eligible to Indonesia has also been lifted, which provides additional market access for beef produced in Canada.

Comprehensive Economic Partnership Agreement (CEPA)

On May 6, 2026, the Act to implement [CEPA](#) received royal assent in Canada. The agreement is not yet in force. Global Affairs Canada notes that once fully implemented, over 95 percent of Canadian exports to Indonesia will receive preferential tariff treatment.

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](#).

UK Specific TRQ

On May 6, Global Affairs Canada [notified](#) importers of the creation of a [new](#) UK specific tariff rate quota (TRQ) for beef in response to the accession of the UK to the CPTPP; the TRQ for beef and veal from the UK and Northern Ireland is set at a maximum of 13,000 MT. CPTPP between Canada and the UK went into effect September 1, 2026. The Trade Continuity Agreement (TCA) between Canada and the UK continues to remain in effect at this time. Under the TCA, imports of beef from the UK have quota-free access to Canada.

Attachments:

No Attachments