

Required Report: Required - Public Distribution

Date: September 08, 2021

Report Number: CA2021-0049

Report Name: Livestock and Products Annual

Country: Canada

Post: Ottawa

Report Category: Livestock and Products

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Report Highlights:

Both the Canadian cattle and swine herd will see contraction to begin 2022. The impacts from the 2021 drought will result in a lower Canadian calf crop in 2022. Imports of U.S. cattle are forecast to be stable on 2021 as there is a continued need to supplement the declining Canadian herd numbers. Lower carcass weights will see a reduction in beef production but strong global demand will support sustained export volumes. The construction of hog finishing space and additional slaughter capacity will support a larger Canadian pig crop in 2022. Assuming a resolution of processing capacity disruptions in 2022, fewer Canadian hogs will be exported to the United States. Pork production will also be modestly reduced on lower carcass weights. As with beef, the United States remains as the dominant import/export market for Canada for pork products. COVID-19 pandemic impacts are expected to linger into Fall and Winter 2021/22.

Executive Summary:

Cattle and Beef

The Canadian cattle herd is forecast to contract once again in 2022. Drought conditions in Western Canada will reduce heifer retention in 2021 and promote culling of cows, leading to a reduced calf crop in 2022. Improved reproduction rate will continue in 2022 which will mitigate the reduction in calf numbers. Feedlot expansion in Western Canada, coupled with a reduced calf crop, will continue to support imports of U.S. feeder cattle. However, a contracting U.S. cattle herd will see live imports remain stable on 2021 numbers. Beef production is forecast to decline by one percent as carcass weights will be lower in 2022. Processing disruptions, due to COVID-19 outbreaks, led to increased carcass weights in the first half of 2021 as a result of cattle held on feed longer. Strong global demand for protein and beef will continue to support exports in 2022. However, an expected drop in Canadian beef demand will see imports reduced on 2021 numbers.

Swine and Pork

The Canadian swine herd is forecast to contract to begin 2022. An increase in sow numbers will see the 2022 pig crop grow over 2021, as Canada adds additional finishing capacity and sees greater slaughter capacity utilization and additional investments. Slaughter will increase modestly in 2022 as a result. Live exports will decline in 2022 as Canada recently resolved the labor dispute in Eastern Canada, which saw over four months of processing capacity disruptions, which resulted in greater number of market and feeder hogs heading to U.S. facilities. Despite increased slaughter, 2022 pork production is forecast to decline two percent as resolved COVID-19 disruptions and labor disputes will reduce numbers of backlogged hogs. Carcass weights will be lower in 2022 as a result. Pork exports will remain stable on 2021 volume with continued global demand due to ongoing impacts of African Swine Fever (ASF) in several regions. Imports will be increased due to lower production and to support Canadian consumers' preference for certain cuts.

Cattle:

Production, Supply and Distribution Estimates

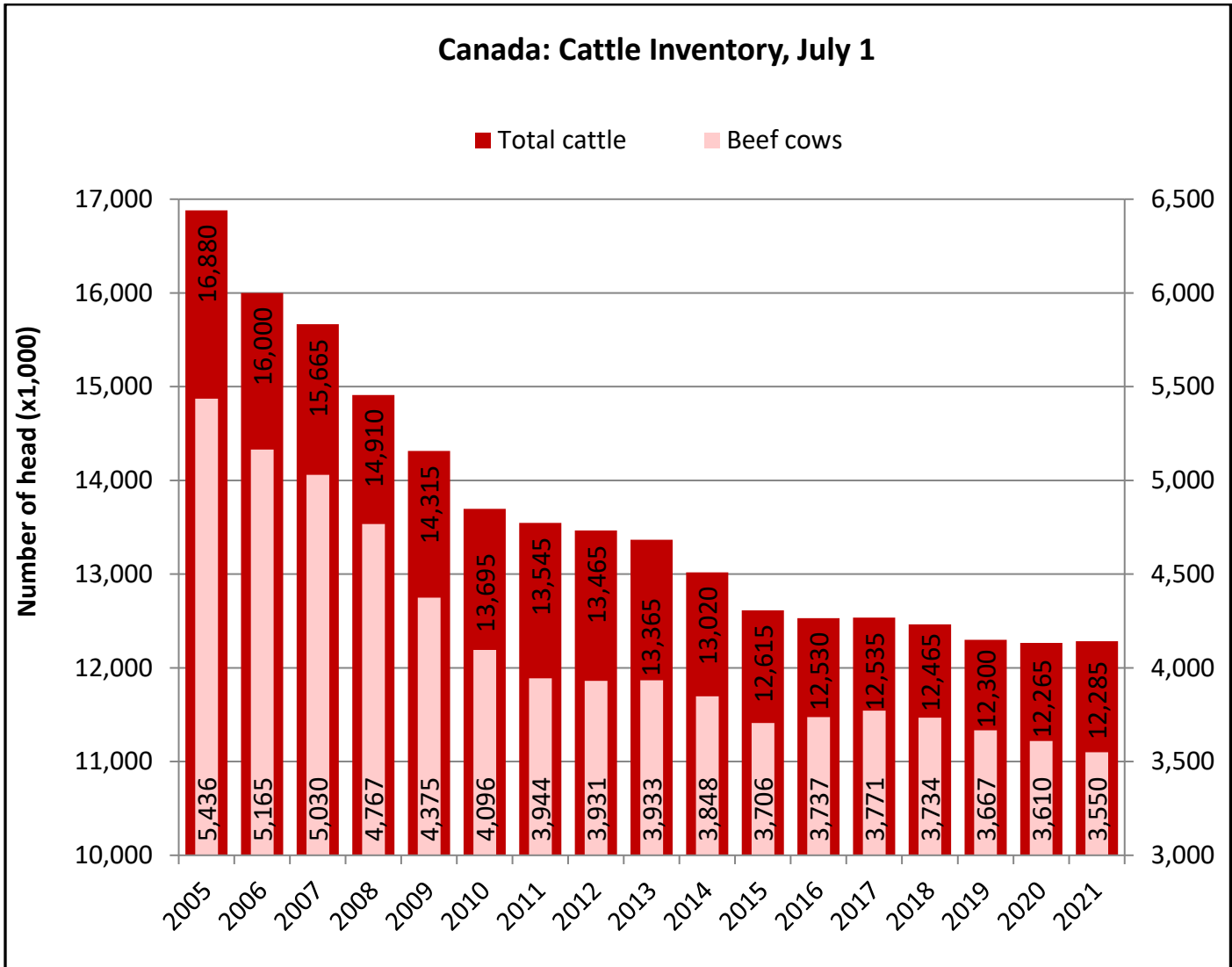
CANADA Animal Numbers CATTLE ('000 head)	2020		2021		2022	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Total Cattle Beg. Stocks	11,265	11,265	11,150	11,150	0	10,980
Dairy Cows Beg. Stocks	981	981	978	981	0	980
Beef Cows Beg. Stocks	3,544	3,544	3,531	3,532	0	3,500
Production (Calf Crop)	4,299	4,344	4,310	4,400	0	4,350
Total Imports	277	277	375	350	0	350
Total Supply	15,841	15,886	15,835	15,900	0	15,680
Total Exports	675	675	575	560	0	550
Cow Slaughter	440	466	475	490	0	420
Calf Slaughter	200	220	210	220	0	220
Total Slaughter	3,494	3,539	3,770	3,830	0	3,800
Loss	522	522	525	530	0	510
Ending Inventories	11,150	11,150	10,965	10,980	0	10,820
Total Distribution	15,841	15,886	15,835	15,900	0	15,680

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

Cattle Production: 2021 Drought Impacts Carry Forward to 2022

FAS/Ottawa forecasts continued contraction of the Canadian cattle herd once again in 2022 with a projected two percent decline. Currently much of Western Canada and parts of Ontario are experiencing severe drought conditions reducing feed and pasture availability. While some regions have received late summer rains, it is not yet clear what the impact will be on drought-stricken pastures. Many areas have seen early starts to the fall calf run and there are expectations of early placements in feed lots as fewer animals are able to be backgrounded on pasture over winter. Prior to recent rains, there were concerns that 20 percent or greater herd reduction would occur in many regions in Western Canada. While this remains a possibility in some regions, especially in parts of Manitoba which has seen repeat years of drought in the Interlake region, improving weather conditions and government support to help producers procure feed should mitigate herd reductions in many other regions. Consequently, FAS/Ottawa is estimating a five percent increase in 2021 cow slaughter, leading to a one percent decline for 2022 beginning beef cow inventories. However, proportionately, cow slaughter is estimated to be similar to previous drought years, especially as significant culling occurred from 2017 to 2019. Culling practices during those years have likely contributed to the improved reproduction rate and producers will only market bred cattle as a last resort. Cows which are not successfully bred, those with a history of reproductive issues, and less desirable genetics will contribute to the higher cull cow number in 2021. Additionally, a higher number of cull cows were exported to the United States in 2020 as a result of COVID-19 processing disruptions. With those disruptions resolved, cow slaughter levels will recover in 2021 with a reduced need to export those animals in order to prioritize backlogged fed cattle.

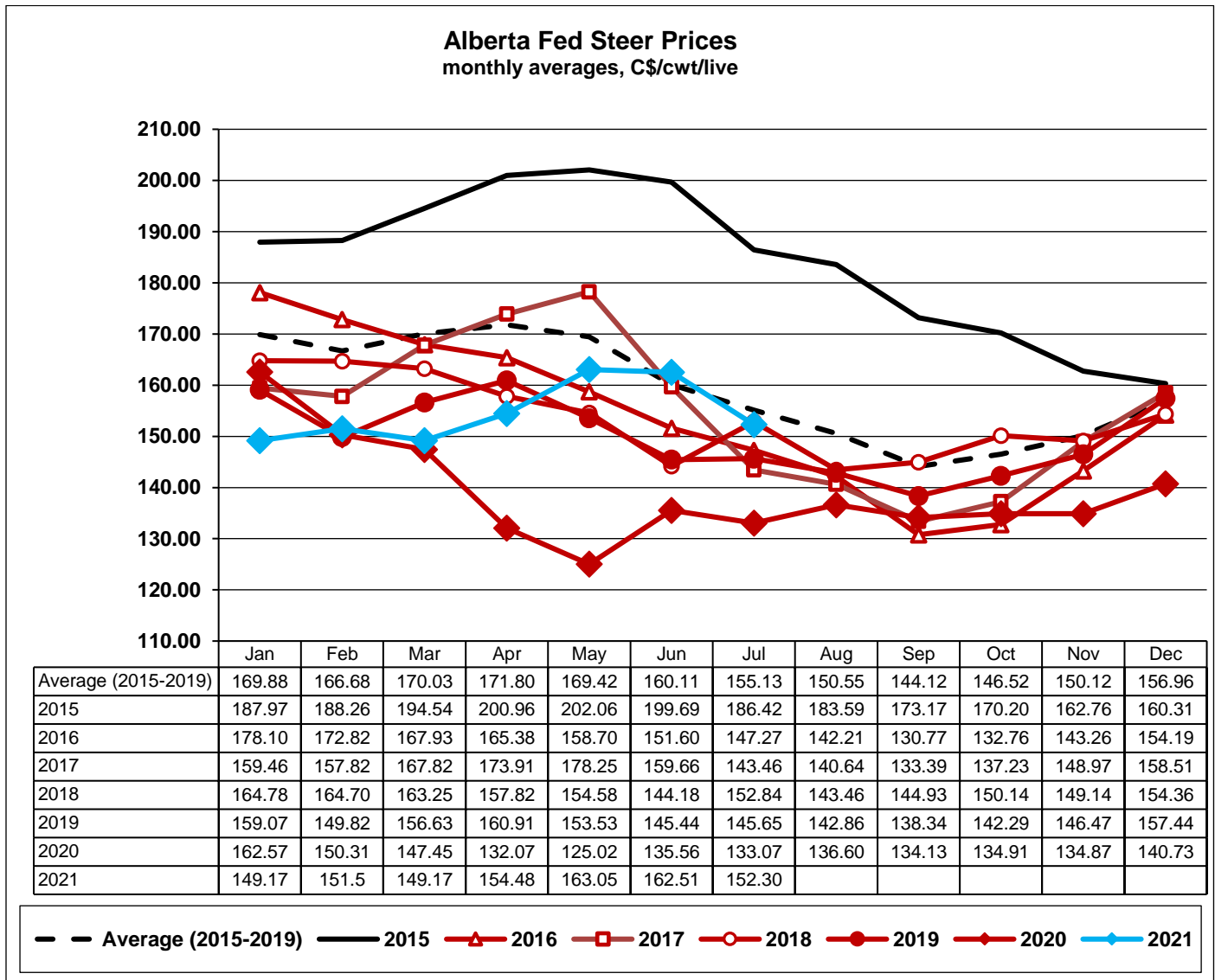
In the July 1 inventory release, Statistics Canada indicated a four percent increase in heifers being retained for beef replacement. Given the ongoing drought issues from when these inventory projections were made, it is likely that producers are changing their intentions regarding heifer retention. In order to manage feed conditions and protect the proven cow herd, producers will retain fewer beef replacement heifers into 2022. This, coupled with a reduction in cow numbers, will see the 2022 calf crop decline by one percent. Continued strong reproductive performance, as a benefit of prior culling activity, should mitigate further calf crop reduction.



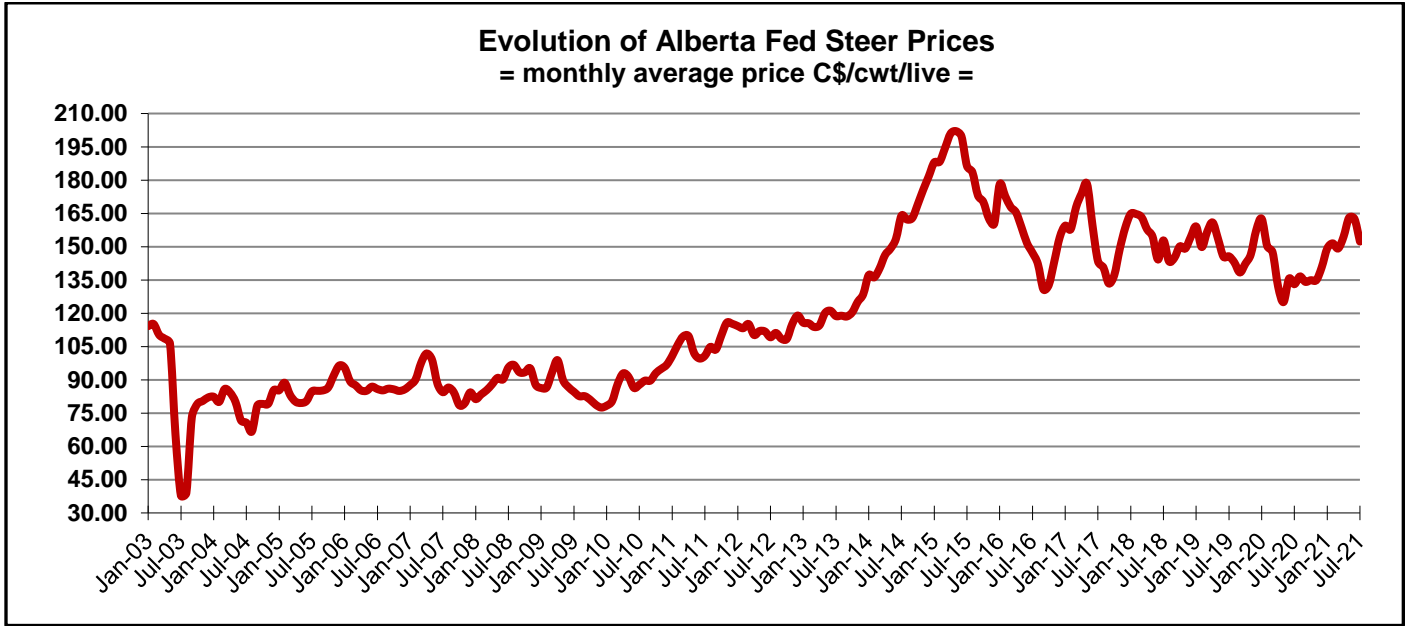
Source: Statistics Canada

Following the substantial drop in fed cattle prices as a result of COVID-related disruptions in processing plants and the food service sector decline in the first half of 2020, Canadian cattle prices have been stronger through 2021. Feed lots have expanded bunk space in Western Canada on a strong basis and packer margins and with beef demand supporting increased slaughter levels. Feed cost may become a factor heading into the second half of 2021 and while feeders will likely enjoy a lower cost to acquire heifers and steers, as a result of the drought seeing large numbers head for placement, many of these will likely be lower weight translating to higher feed costs to slaughter weight. Ample on feed numbers and placements to date in 2021 also indicate that cattle marketings should remain robust into the first part of 2022. Reported high COVID-19 vaccination rates in processing plants and ongoing application of COVID-related mitigation measures have limited pandemic related disruptions thus far in 2021.

However, despite a high vaccine uptake amongst the eligible population across Canada, case numbers suggest that many regions of the country are entering a fourth wave of infections. If this wave progresses, the processing sector could be exposed to disruptions once again later in 2021 and into 2022.



Source: CanFax

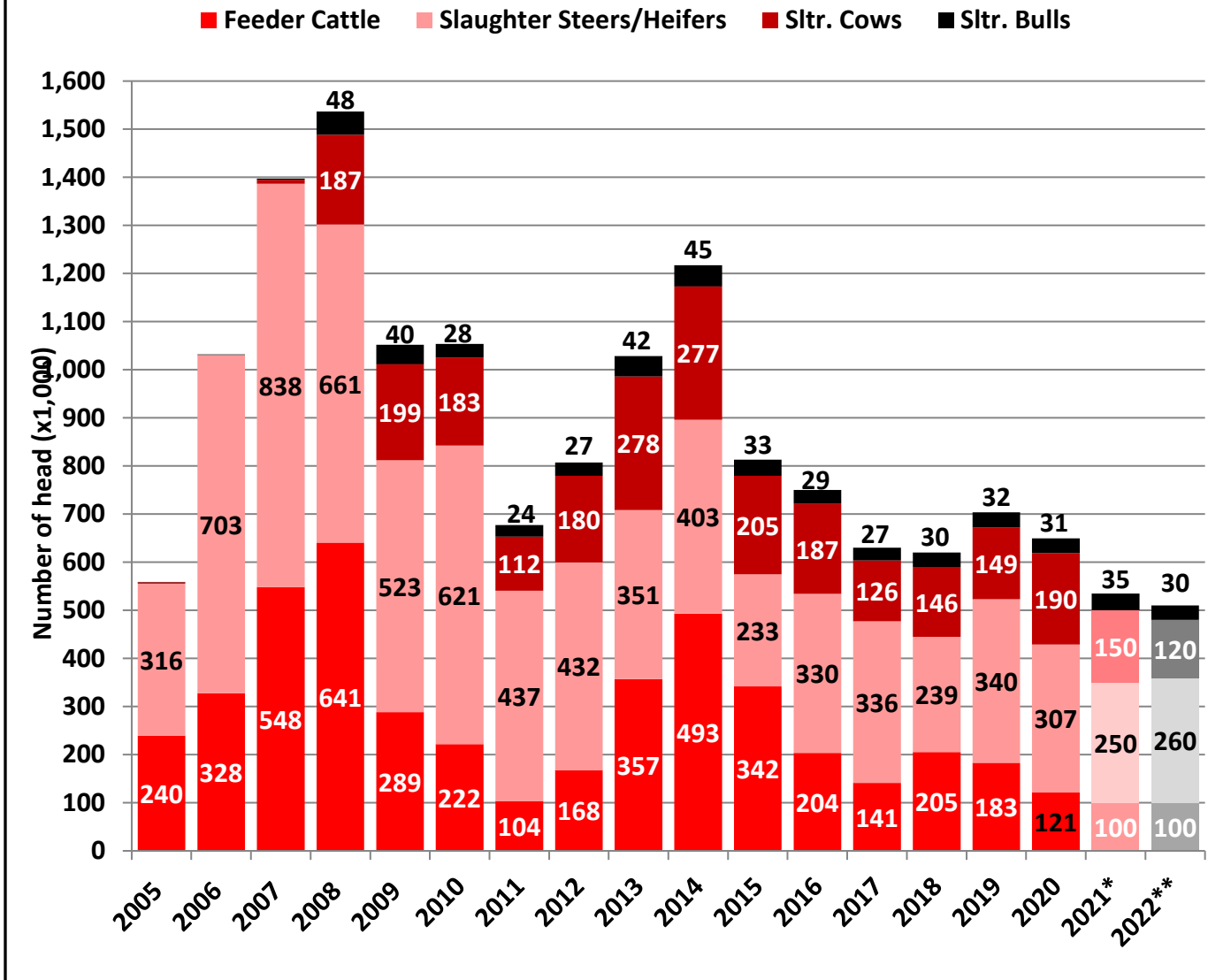


Source: CanFax

Live Cattle Trade: Imports Stabilize

FAS/Ottawa forecasts a two percent reduction in live cattle exports in 2022 following a seventeen percent decline in 2021. Given beef export demand and strong packer margins, packers will be looking to keep cattle in Canada through 2022. A continually declining Canadian cattle herd will also contribute to reductions in live cattle exports.

Canadian Exports of Non-dairy Cattle to the U.S.

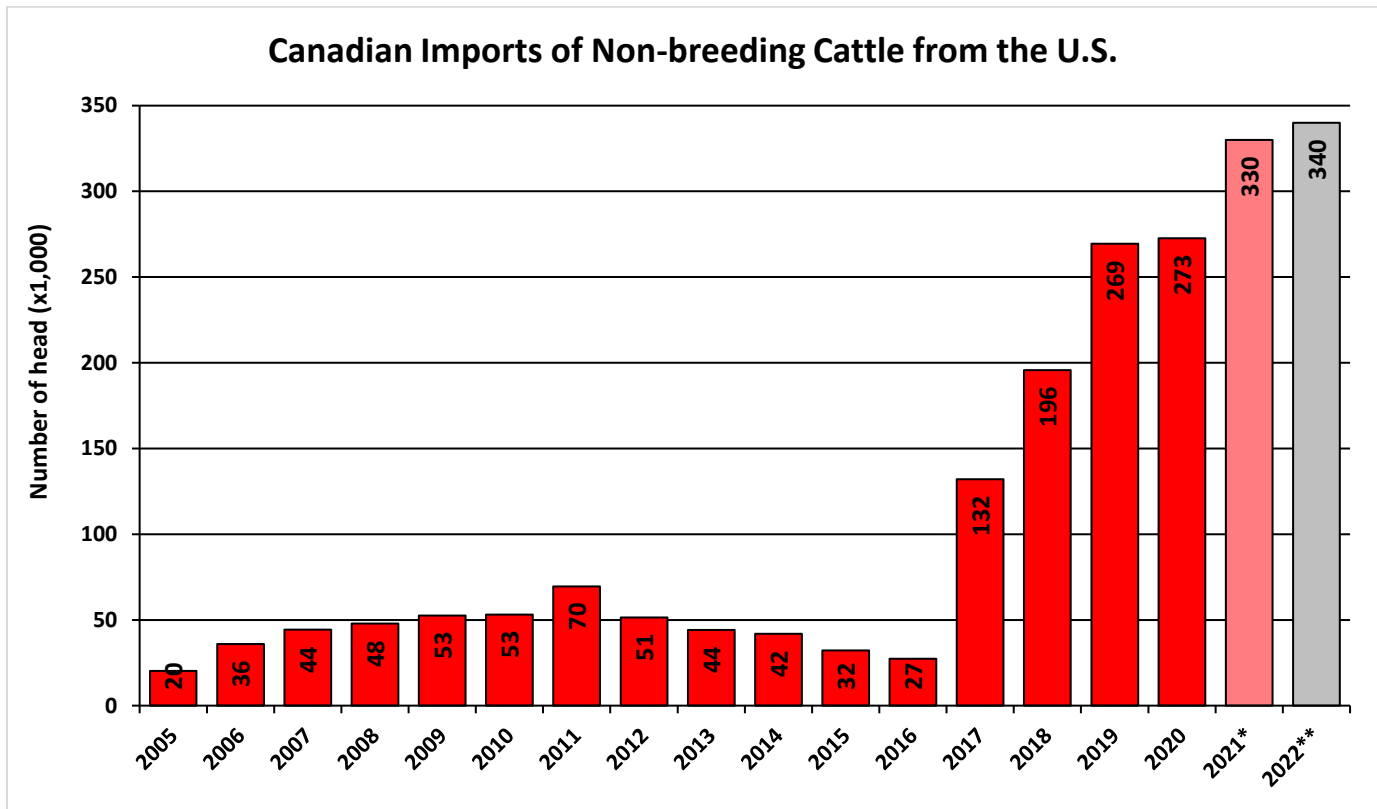


Source: Trade Data Monitor, LLC/FAS/Ottawa *estimate **forecast

Drought related culling activity will see bull exports to the United States increase slightly in 2021 before returning to normal volumes in 2022.

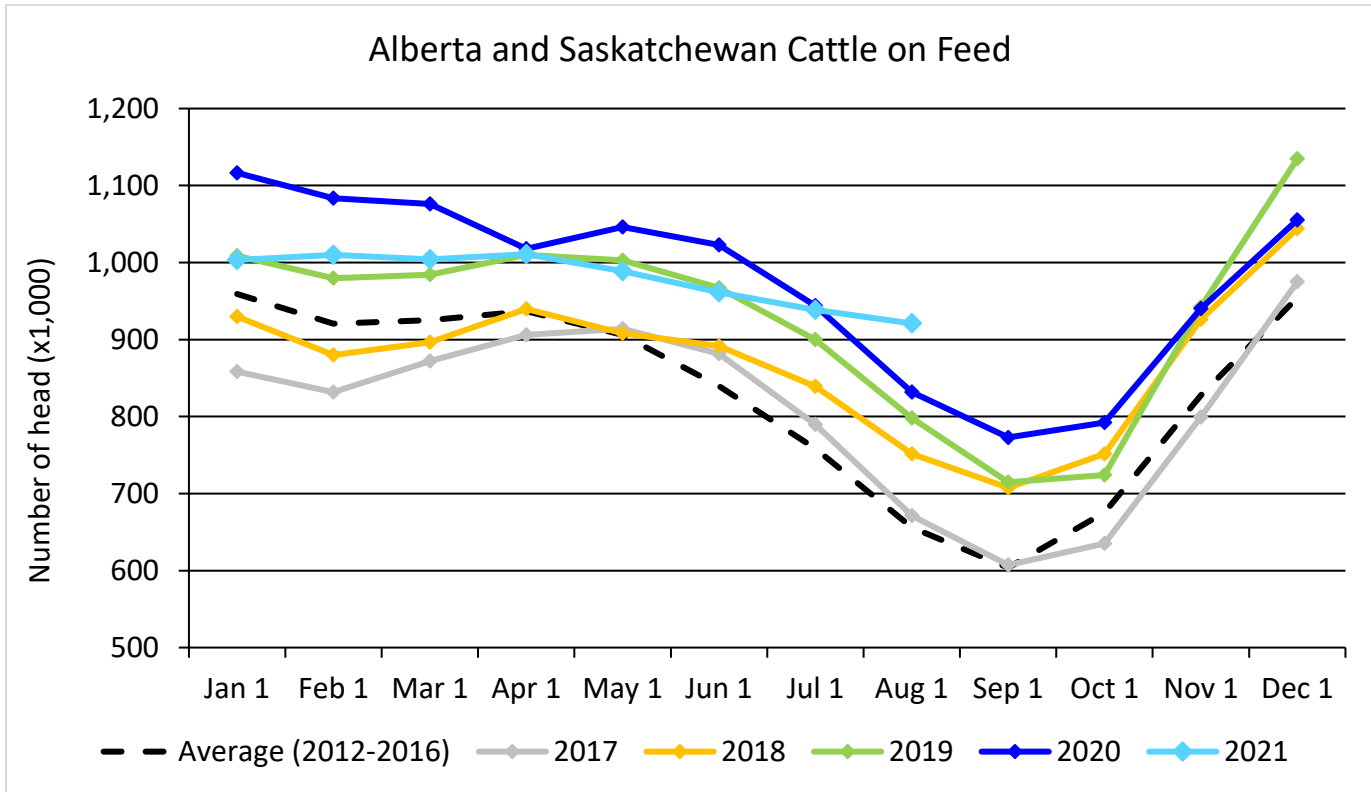
Despite Canadian packer demand, fed cattle exports to the United States will increase slightly in 2022. Additional slaughter capacity in the United States, a shrinking U.S. herd, and an anticipated lower Canadian dollar will pull more fed cattle from Canada in 2022 compared to 2021.

As bunk space has expanded in Western Canada, fewer feeder cattle will be exported to the United States in 2021 and 2022. Canadian feeders will be looking to stay competitive in keeping feeders in Canada as the calf crop shrinks in order to support their expansion. Feeders will import U.S. feed as necessary depending on feed availability through the Fall/Winter due to the drought.



Source: Trade Data Monitor, LLC/FAS/Ottawa *estimate **forecast

A strong basis and packer demand have seen record import levels of U.S. cattle once again in 2021. FAS/Ottawa forecasts that this will stabilize in 2022 as U.S. processing capacity expansion, and a shrinking U.S. cattle herd, will see more competition for those animals to remain in the United States. However, large cattle import volumes will still be sustained as Canadian feeders continue to capitalize on importing low-priced U.S. dairy steers as there is little U.S. demand for these animals as feeders. While some of these animals will be destined for the veal market, Canadian cattle feeders have been able to develop a ration and feeding strategy to finish these dairy steers to achieve a beef-type finished carcass. Despite a longer finishing time for dairy steers, double a beef breed, the cost of these steers and the carcass value continues to make these animals attractive to fill some pen space. Tighter feed supplies and higher feed costs due to the 2021 drought will be a factor in these import volumes.

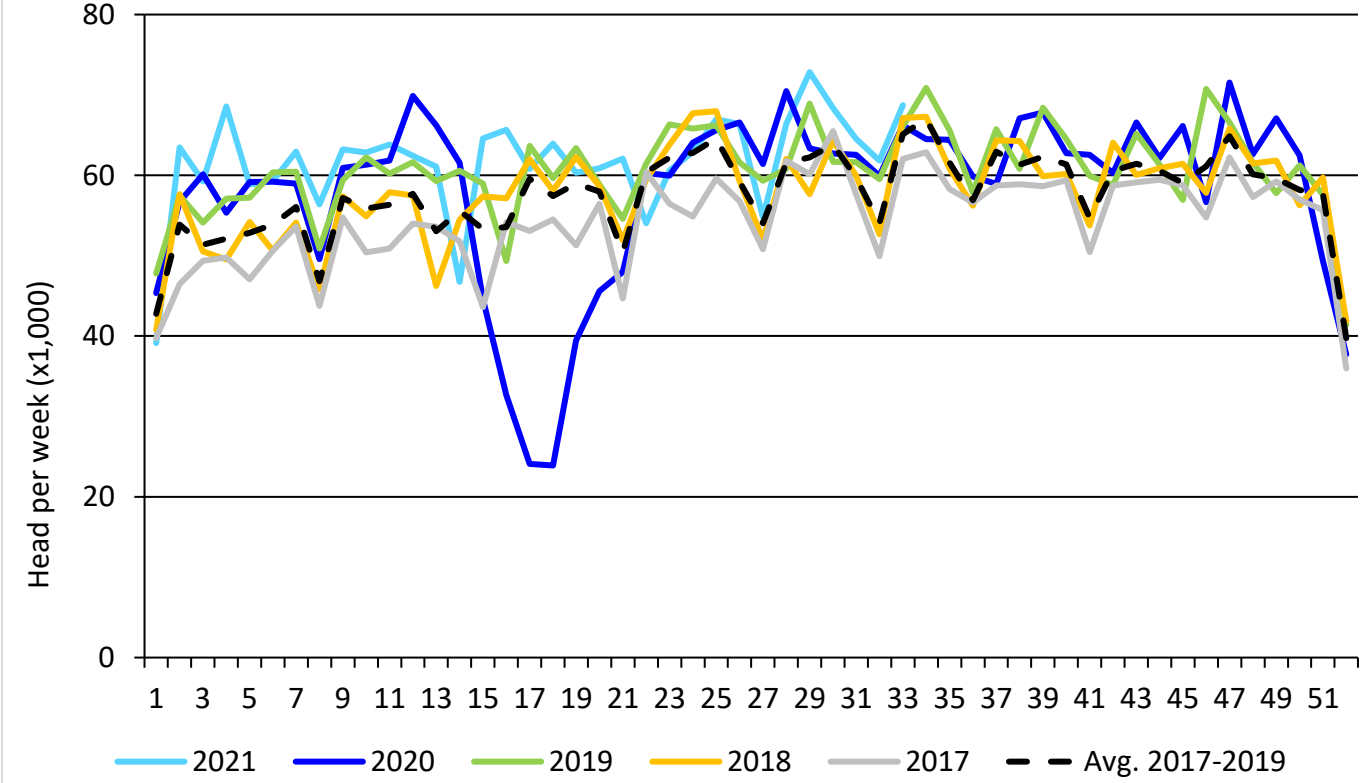


Source: CanFax

Beef Production: Slaughter Declines Slightly

FAS/Ottawa forecasts Canadian slaughter to decline one percent in 2022 following eight percent growth in 2021. Strong packer margins and global beef demand, working through the 2020 cattle backlog, a lack of large-scale processing disruption, and the return of an Ontario processing plant all contributed to the growth in 2021 slaughter following the substantial COVID-related decline in 2020. Slaughter levels in 2021 and 2022 will still be supported above 2019 levels by larger calf crop, increased cattle imports, and reduced heifer retention due to drought in 2021. Slaughter levels will be slightly lower in 2022 compared to 2021 as packers will no longer have COVID-related backlogged animals to work through, assuming there are no further processing disruptions. With better pasture and feed outlook in 2022, it is anticipated that cow culls will decline and heifer retention will increase. Additionally, improved U.S. slaughter capacity and a declining herd will see Canadian feeders face more competition to secure U.S. feeder cattle. Finally, packers have been selling primals/commodity boxes to facilitate the increased pace of slaughter as food service continues to recover and as demand for a greater degree of carcass fabrication returns, this will slow the pace of slaughter and fabrication.

Canadian Weekly Federal Cattle Slaughter



Source: CanFax

Beef:**Production, Supply and Distribution Estimates**

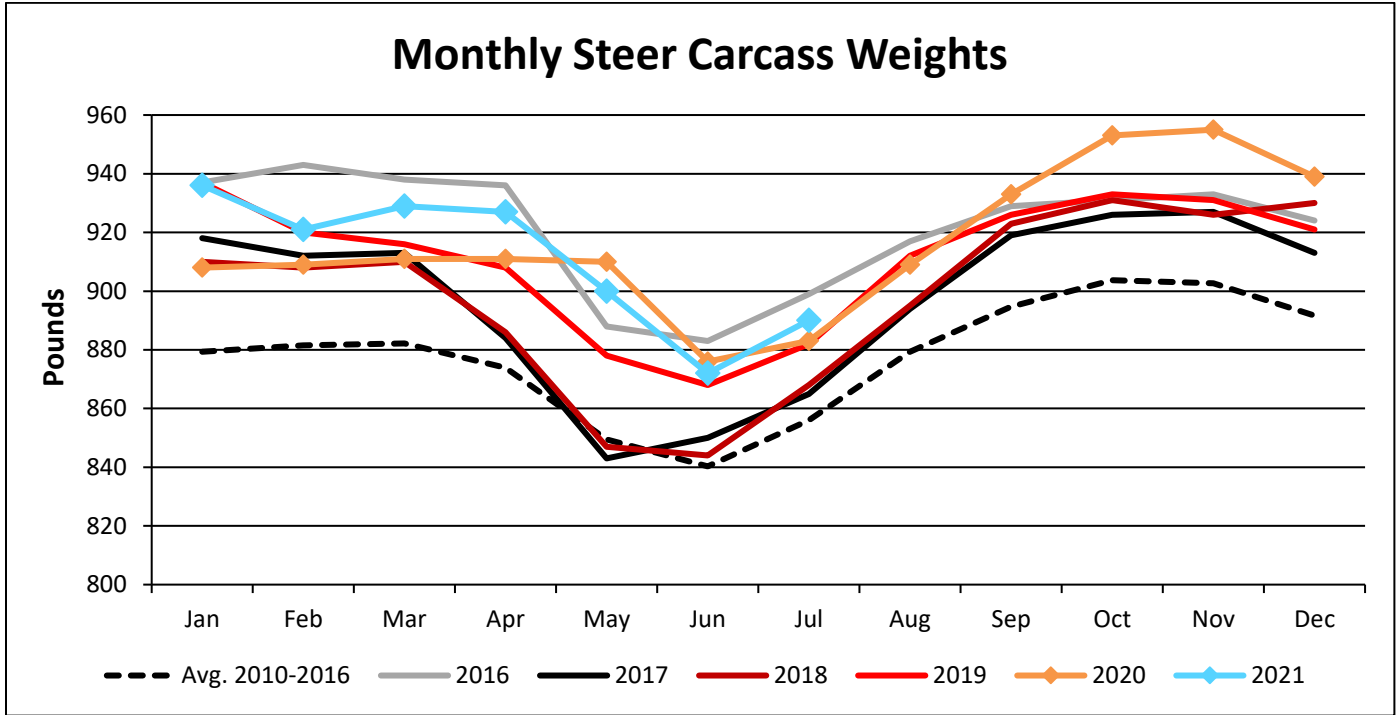
CANADA Meat BEEF and VEAL	2020		2021		2022	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	3,494	3,539	3,770	3,830	0	3,800
Beginning Stocks	33	34	38	38	0	40
Production	1,310	1,314	1,420	1,450	0	1,430
Total Imports	249	250	235	225	0	220
Total Supply	1,592	1,598	1,693	1,713	0	1,690
Total Exports	513	513	570	600	0	600
Total Dom. Consumption	1,041	1,047	1,083	1,073	0	1,055
Ending Stocks	38	38	40	40	0	35
Total Distribution	1,592	1,598	1,693	1,713	0	1,690

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

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

Beef Production: Production Declines Slightly on Lower Carcass Weights

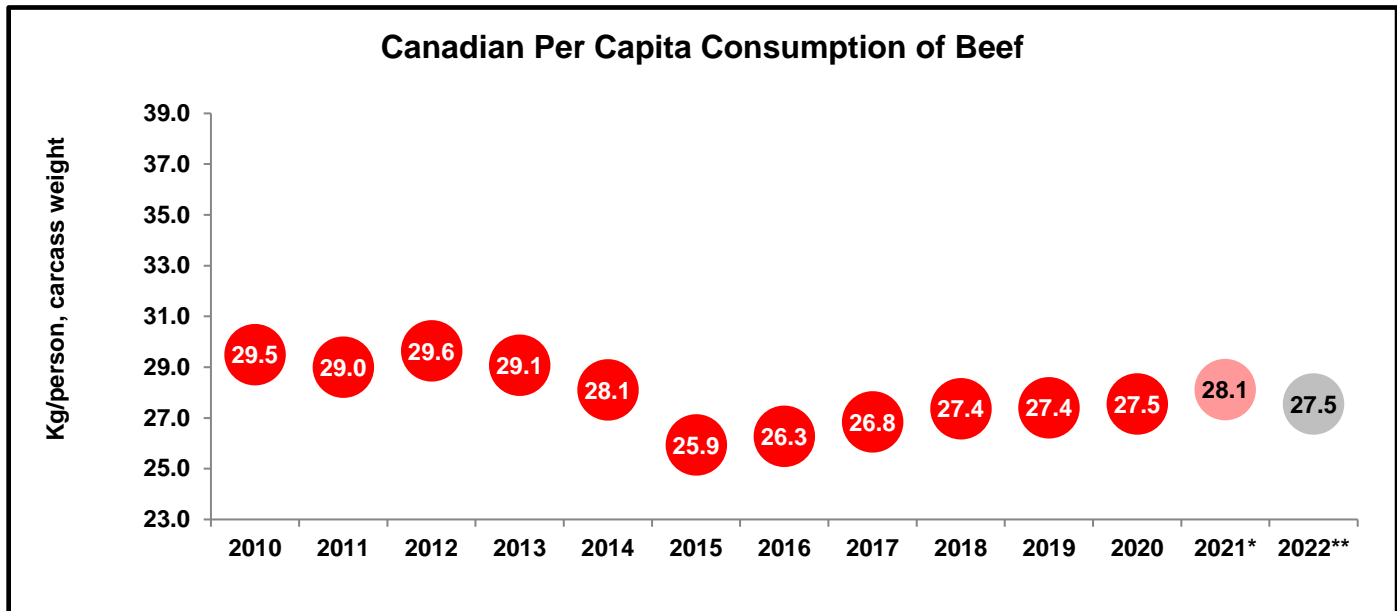
FAS/Ottawa forecasts 2022 beef production to decline one percent from 2021 levels on lower slaughter numbers and lower carcass weights. In the absence of a COVID-related cattle backlog, carcass weights will trend lower from the increase seen in 2021. Programs to hold cattle on feed to manage slaughter numbers saw higher carcass weights in the first half of 2021. Weights will be lower in 2022 as cattle will not be held longer on feed.



Source: CanFax

Beef Consumption: Slightly Less Demand

Beef demand remained strong in 2021 as consumers carried over increased retail purchasing behavior from 2020. Beef consumption will drop slightly in 2022 as rising prices push consumers to alternative protein sources. Food service recovery is uncertain as many regions of the country are re-imposing COVID-related restrictions as local conditions change. Higher feed costs and a shrinking cattle herd should also see packers pay more for fed animals which will see higher consumer prices.

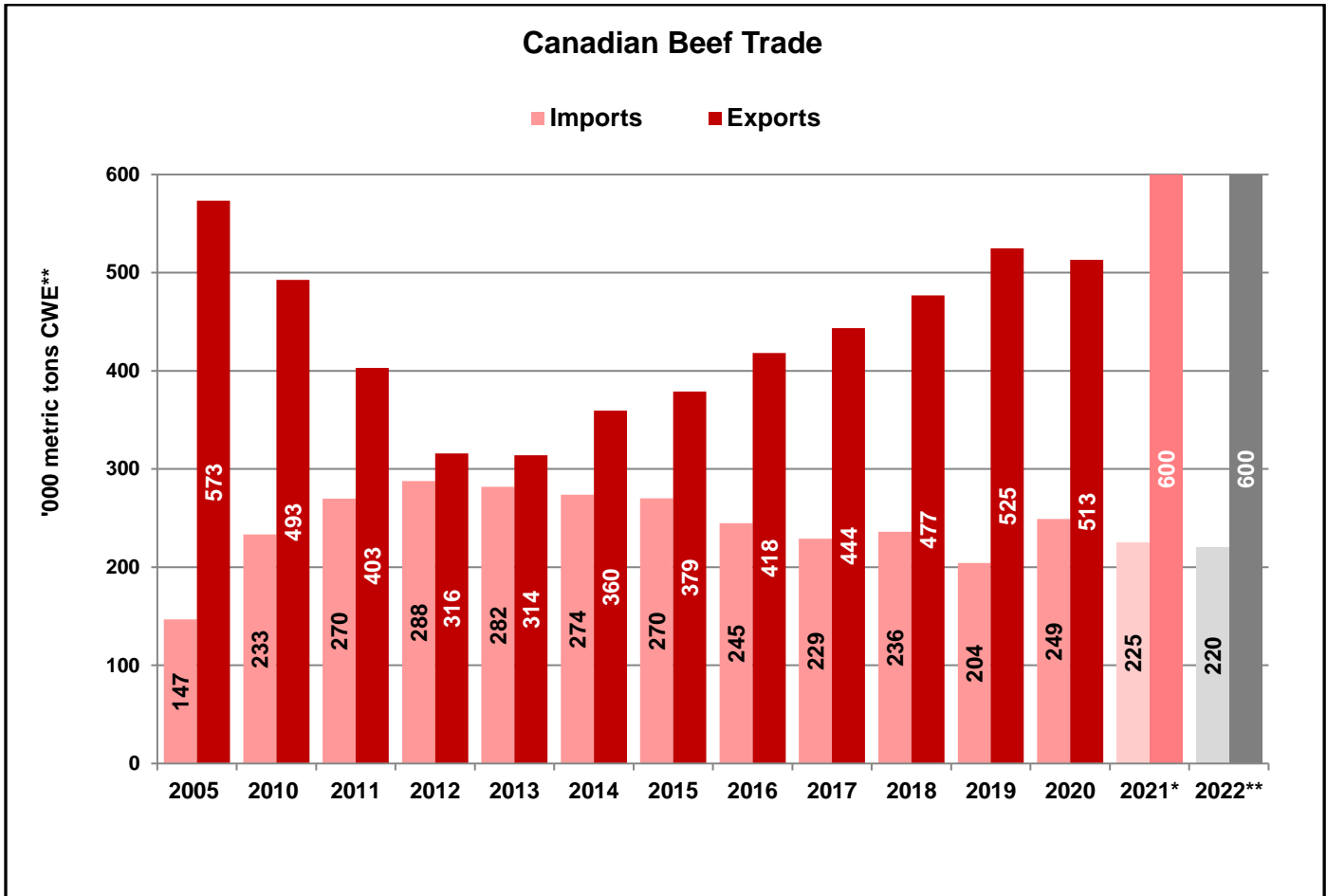


Source: Statistics Canada/FAS/Ottawa *estimate **forecast

Beef Trade: Exports Stable

FAS/Ottawa forecasts stable beef exports in 2022. This follows seventeen percent growth in 2021 as Canadian beef exports recovered from the challenging environment of 2020. A weaker Canadian dollar in 2022 will sustain export competitiveness and African Swine Fever impacts to global pork supplies will also contribute to sustained demand for beef, although future disruptions due to COVID-19 remain a risk. The volatility of the Chinese market for Canadian beef is likely to remain an ongoing constraint in 2021. Canada is still awaiting re-listing of processing plants which voluntarily suspended exports to China as a result of COVID-19 cases in workers. There is no time frame for when these plants could be re-listed.

Market opportunities are also expected to expand for Canadian beef as Canada was designated by the OIE as a BSE (bovine spongiform encephalopathy) negligible risk country in May 2021. To date, Singapore was the first country to drop remaining BSE restrictions on Canadian beef in August 2020 which extend retroactively to the OIE designation change. Singapore is not a historically significant market for Canadian beef but the Canadian industry will look to continue to build on this success in larger markets such as South Korea, Taiwan, and China as well as aligning specified risk material removal with the United States.



Source: Trade Data Monitor, LLC/FAS/Ottawa *estimate **forecast

Due to geographic proximity, the United States will continue to remain the main export market for Canadian beef but market share will continue to decline as Canada diversifies its export markets. Exports to Asian markets will continue growth in 2022. Exports to the EU will continue to struggle with technical barriers. Exports to Vietnam will also continue to grow as Canadian beef enjoys a zero tariff as a result of CPTPP.

Canada Beef and Veal Exports

January to June (metric tons, CWE*)

Partner	Quantity			Market Share(%)			Change 2021/2020	
	2019	2020	2021	2019	2020	2021	Volume	Percent
World	259,737	228,478	287,674	100.00	100.00	100.00	59,196	25.91
CPTPP	34,819	29,849	43,150	13.41	13.06	15.00	13,301	44.56
EU	279	367	586	0.11	0.16	0.20	219	59.58
United States	195,164	177,065	206,107	75.14	77.50	71.65	29,042	16.40
Japan	26,842	24,004	32,044	10.33	10.51	11.14	8,040	33.49
Hong Kong	8,417	7,095	5,291	3.24	3.11	1.84	-1,803	-25.42
Mexico	7,975	5,843	10,994	3.07	2.56	3.82	5,152	88.18
China	12,730	5,345	13,372	4.90	2.34	4.65	8,027	150.20
South Korea	3,253	2,616	5,165	1.25	1.15	1.80	2,549	97.43
Vietnam	442	2,143	8,984	0.17	0.94	3.12	6,841	319.28
All other countries	4,914	4,367	5,717	1.90	1.89	1.98	1,350	30.91

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

FAS/Ottawa forecasts beef imports to drop by two percent in 2022 following a ten percent decline in 2021. Higher slaughter levels and domestic availability combined with lower Canadian consumption in 2022 will reduce the need for beef imports. The United States will continue to remain the dominant source market given geographic proximity.

Canada Beef and Veal Imports

January to June (metric tons, CWE*)

Partner	Quantity			Market Share(%)			Change 2021/2020	
	2019	2020	2021	2019	2020	2021	Volume	Percent
World	103,990	125,942	110,359	100.00	100.00	100.00	-15,583	-12.37
CPTPP	16,171	21,288	18,214	15.55	16.90	16.50	-3,074	-14.44
EU	1,018	8,747	6,490	0.98	6.95	5.88	-2,257	-25.80
United States	63,851	70,976	66,037	61.40	56.36	59.84	-4,939	-6.96
New Zealand	11,465	14,315	11,745	11.03	11.37	10.64	-2,570	-17.95
Uruguay	9,228	10,766	10,369	8.87	8.55	9.40	-397	-3.69
Australia	10,989	9,157	5,224	10.57	7.27	4.73	-3,933	-42.95
Mexico	3,671	5,874	5,481	3.53	4.66	4.97	-393	-6.69
United Kingdom	1,689	3,439	1,882	1.62	2.73	1.71	-1,557	-45.27
All other countries	3,097	11,415	9,621	2.98	9.06	8.71	-1,794	-15.72

Source: Trade Data Monitor, LLC. *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:

Production, Supply and Distribution Estimates

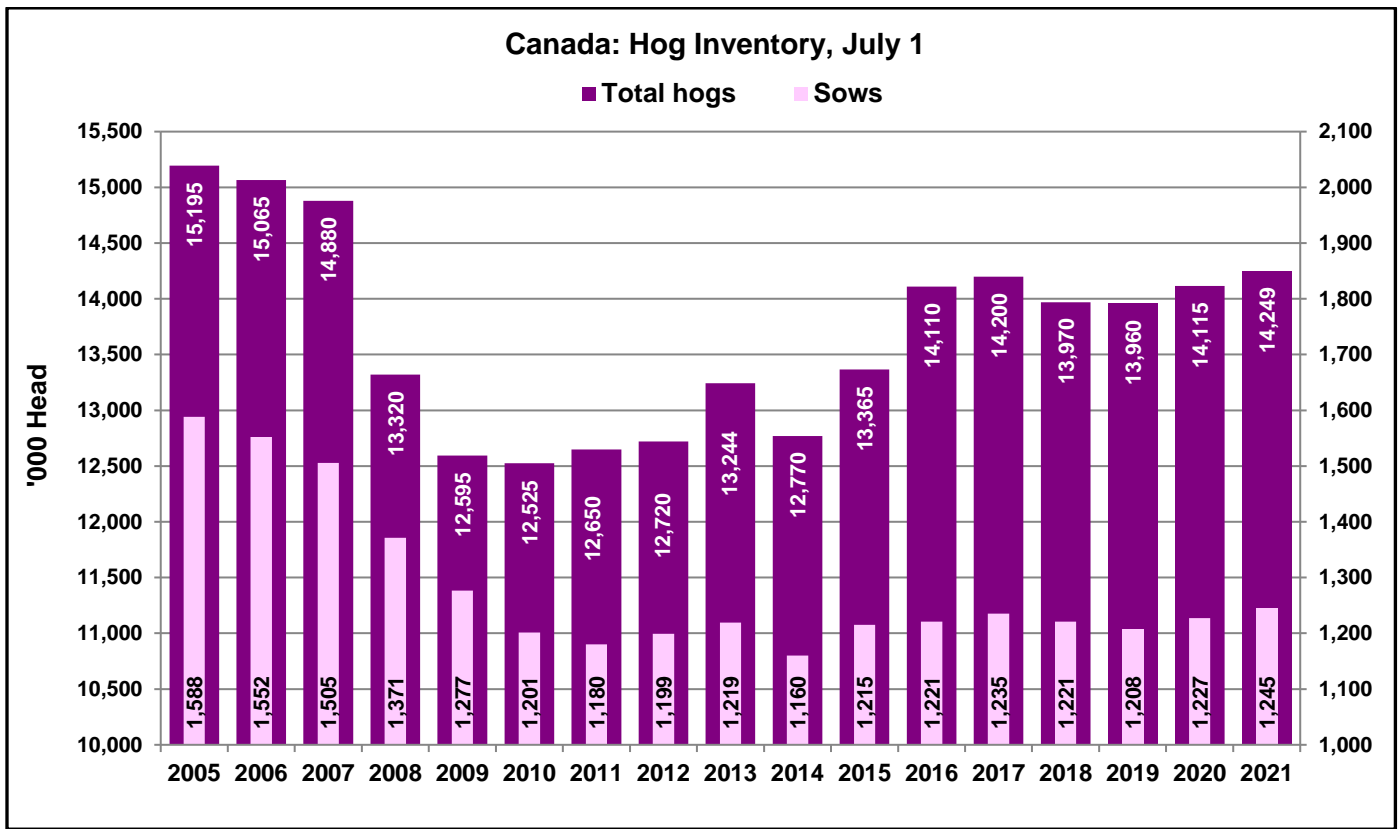
CANADA Animal Numbers SWINE (‘000 head)	2020		2021		2022	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Forecast
Total Beginning Stocks	13,970	13,970	14,025	14,025	0	13,729
Sow Beginning Stocks	1,228	1,228	1,240	1,240	0	1,245
Production (Pig Crop)	29,546	29,550	29,750	29,900	0	29,950
Total Imports	6	6	4	4	0	4
Total Supply	43,522	43,526	43,779	43,929	0	43,683
Total Exports	5,311	5,311	6,050	6,000	0	5,500
Total Slaughter	22,717	22,722	22,950	22,800	0	22,850
Loss	1,469	1,468	1,379	1,400	0	1,400
Ending Inventories	14,025	14,025	13,400	13,729	0	13,933
Total Distribution	43,522	43,526	43,779	43,929	0	43,683

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

Production: Pig Crop Grows

FAS/Ottawa forecasts the Canadian swine herd to decline by two percent in 2022 following slight growth in 2021 fueled by COVID-related processing backlogs. Sow herd numbers will remain relatively stable on 2021 numbers as more finishing space is added on anticipated expansion and increased utilization of processing capacity. Statistics Canada semi-annual data continues to indicate improved sow fertility since the reproduction declines in 2017 attributed to PEDv (porcine epidemic diarrhea virus). As producers continue to strengthen biosecurity measures this reproduction rate should be sustained through 2022. Rising feed costs due to drought in Western Canada and parts of Ontario could still alter production plans leading producers to idle barns depending on hog pricing. The market hog backlog that Quebec producers have been struggling to manage is expected to clear this Fall.

Olymel Vallée-Jonction has now resolved the labor dispute which began in April 2021, resuming slaughter at a reduced capacity on September 3. The plant is working back to their weekly slaughter capacity of 35,000 hogs per week. An expansion at Ange-Gardien should see Olymel producers looking to increase production in 2022 to supply that expansion which will look to add an additional 10,000 head per week with a plan to eventually enable the plant to double its current slaughter capacity of 25,000 head per week if market demand continues to grow.

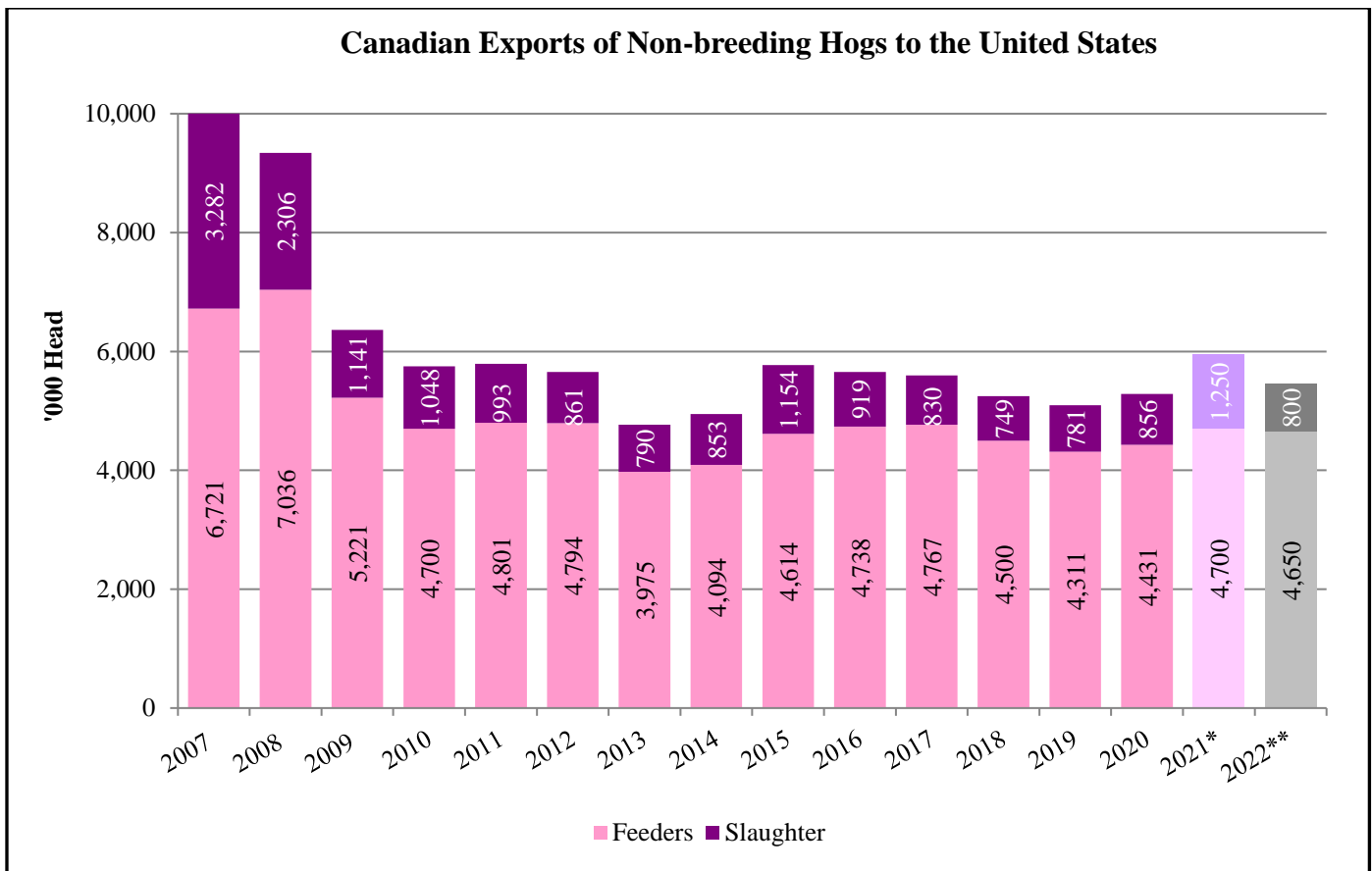


Source: Statistics Canada

Trade: Increase in Processing Capacity Expected to Lead to Reduced Exports

FAS/Ottawa forecasts live hog exports to decline eight percent in 2022 following 13 percent growth in 2021. Exports in 2021 were largely the result of ongoing processing disruptions in Canada and available capacity in U.S. barns and processing plants, as a result of PRRS (porcine reproductive and respiratory syndrome) impacts on U.S. pig production in 2021. Barring future processing disruptions in Canada, due to COVID-19 worker outbreaks, the current Quebec hog is expected to be cleared by 2022 resulting in a decline in market hog exports. Expanded finishing space will also see fewer feeder pigs exported to the United States in 2022. However, the United States will still remain an important market for live exports and critical to the business model of some Canadian operations as pig crop production will outstrip Canadian finishing space capacity.

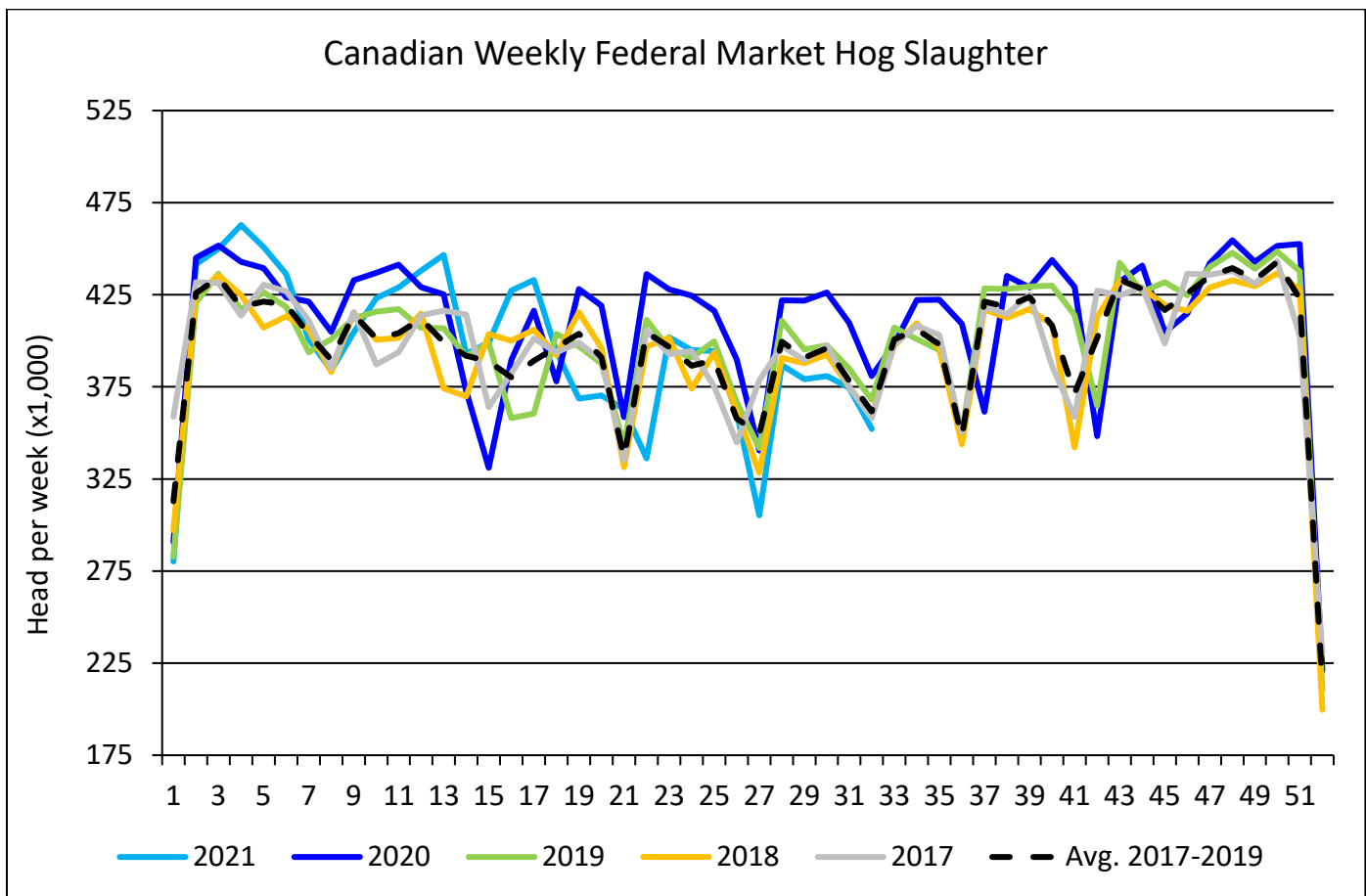
FAS/Ottawa forecasts live imports will remain stable on 2021 numbers. Live imports are not significant in the overall picture of the Canadian swine herd given the small numbers.



Source: Trade Data Monitor, LLC/FAS/Ottawa *estimate **forecast

Swine Slaughter: Processing Capacity and Utilization Grows

FAS/Ottawa forecasts 2022 slaughter to grow slightly by 50,000 head as a result of increased pig crop, slaughter capacity utilization, and Olymel capacity expansion. Following the major COVID-related processing disruptions in 2020, Canada’s hog processing sector continued to experience disruption in 2021 with some lingering COVID-19 issues and a significant labor disruption in Quebec. With resolution of these issues, Canada is expected to recover slaughter pace through the fall, clearing the Quebec hog backlog. Industry estimates place the backlog at around 170,000 hogs with exports to the United States playing a critical role in managing animal numbers. While FAS/Ottawa estimates that overall slaughter will increase in 2022, a fourth wave of COVID-19 infections has begun in Canada and risks to the processing sector are expected to remain through Fall and Winter 2021/22.



Source: Agriculture and Agri-Food Canada

Pork:**Production, Supply and Distribution Estimates**

CANADA Meat SWINE	2019		2020		2021	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	22,717	22,722	22,950	22,800	0	22,850
Beginning Stocks	80	80	66	66	0	75
Production	2,130	2,115	2,225	2,180	0	2,140
Total Imports	273	273	275	260	0	270
Total Supply	2,483	2,468	2,566	2,506	0	2,485
Total Exports	1,543	1,544	1,560	1,565	0	1,565
Total Dom. Consumption	874	858	941	866	0	870
Ending Stocks	66	66	65	75	0	50
Total Distribution	2,483	2,468	2,566	2,506	0	2,485

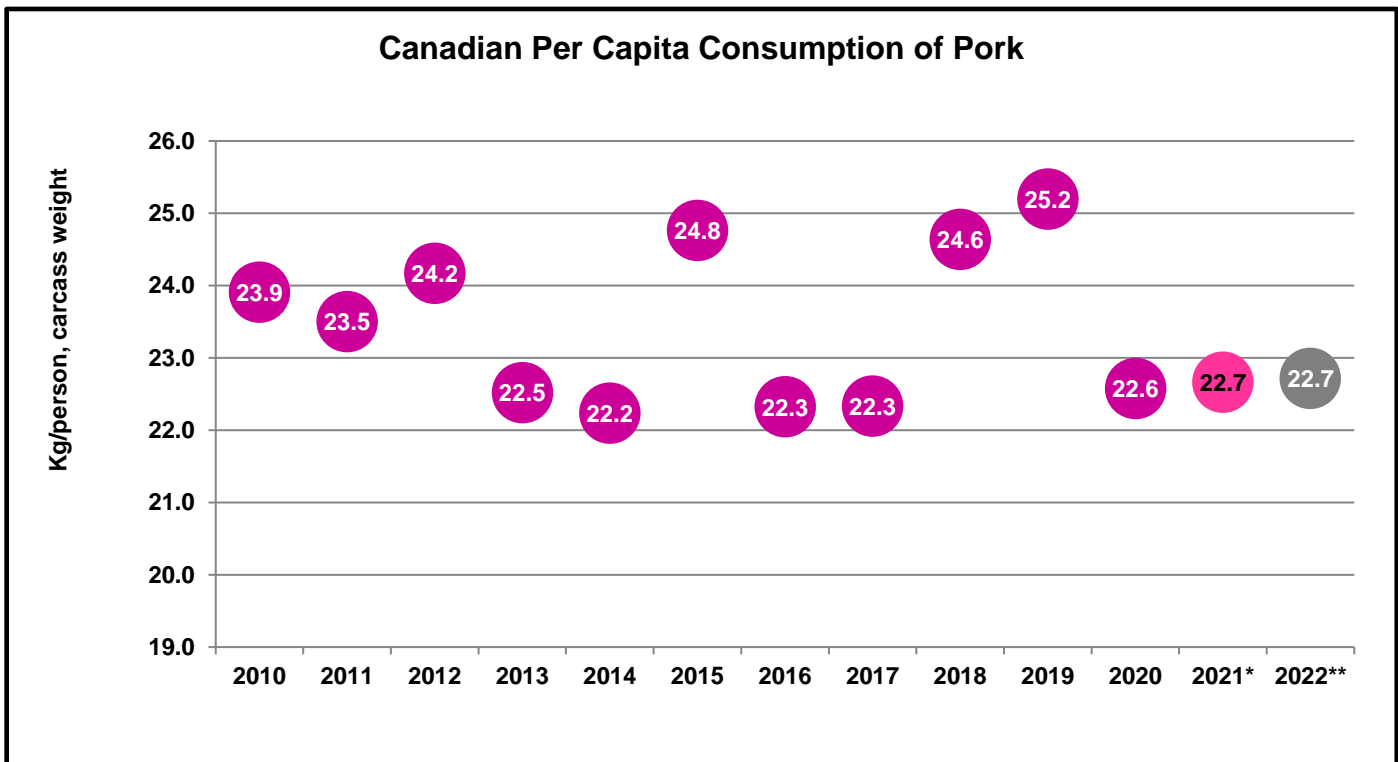
NOTE: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

Pork Production: Slight Decline as Backlogs Clear and Carcass Weights Trend Lower

FAS/Ottawa estimates that pork production will decline two percent in 2022 as carcass weights lower despite higher slaughter numbers. Carcass weights were heavier in 2021 as producers continued to deal with processing disruptions and managing animal backlogs. Canadian pork carcass weights were

trending higher even preceding the backlogs in 2020 and 2021, however, the weights observed in 2021 will not be sustained in 2022, unless further disruption occurs.

Domestic consumption will remain stagnant in 2022 on a modest one percent gain in 2021. The [Pork Promotion and Research Agency](#) should be fully operational by 2022 and more marketing of pork products to consumers will maintain consumer engagement although higher prices will moderate increased consumer purchases.

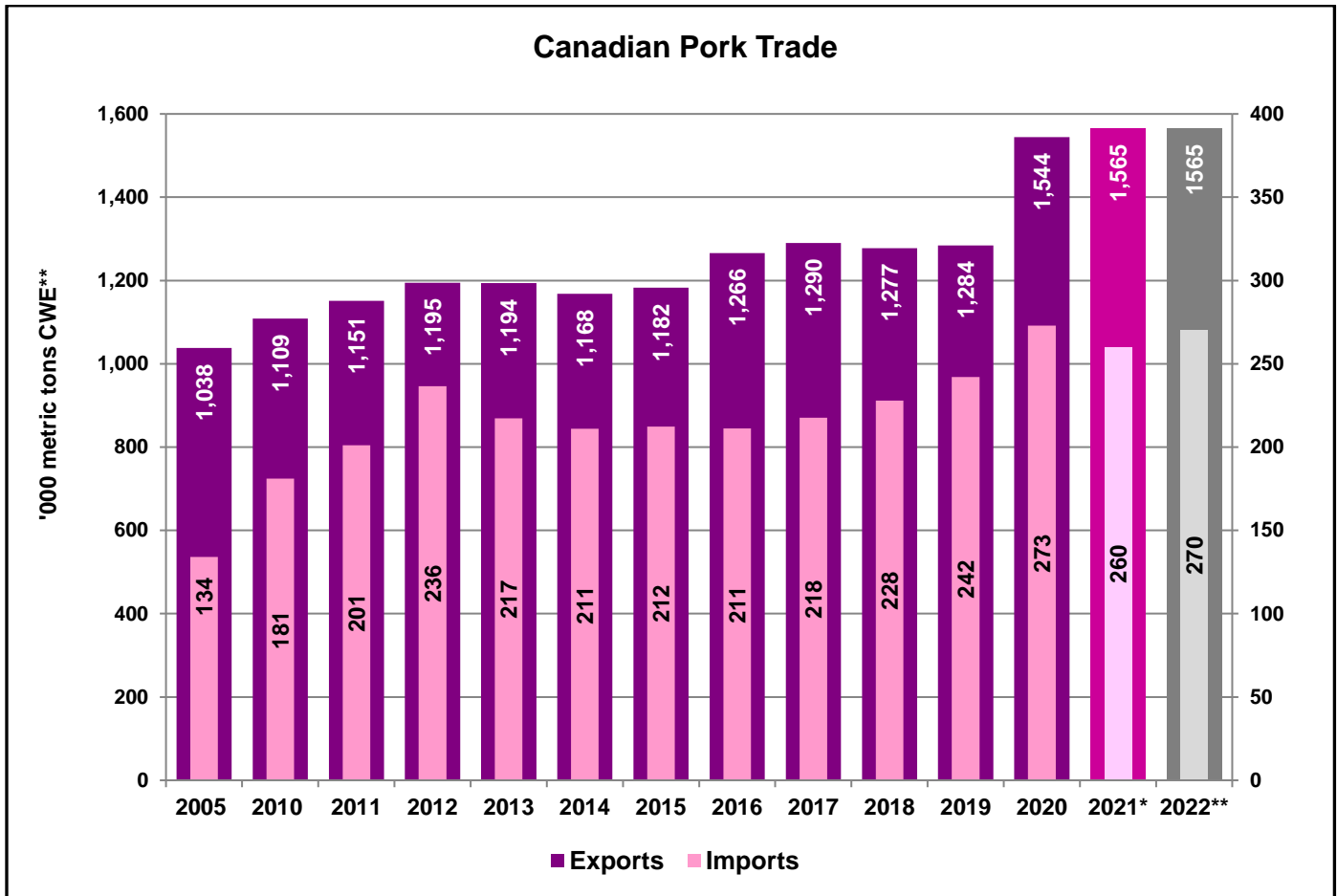


Source: Statistics Canada

Pork Trade: Exports Stable on 2021 Growth

FAS/Ottawa forecasts Canadian pork exports to remain stable in 2022 following one percent growth in 2021. Processing disruptions and restrictions on the number of plants eligible to export to China as a result of COVID-19 cases impacted Canadian pork export growth in 2021. Currently, over sixty percent of Canada’s production, previously eligible for export to China, is suspended due to reported COVID-19 cases in those plants; it is of note that in many situations, these cases date back several months and these plants are not necessarily experiencing an active COVID-19 outbreak. However, if delisted slaughter facilities regain export eligibility, Canada will look to grow the Chinese export market once again. At present, there is not a timeline for resuming export eligibility to China in these plants established. Despite challenges with the China market, strong global demand and continued impacts from African

Swine Fever (ASF) fueled export growth. Lower 2022 pork production will see exports remain stable. A weaker Canadian dollar would also give Canadian exports an advantage in 2022.



Source: Trade Data Monitor, LLC/FAS/Ottawa *estimate **forecast

The United States will regain status as Canada’s most important export market in 2021 as Canada cannot sustain 2020 export volumes to China until plant eligibility is resolved. While Japan will continue to be a significant export market, Canada’s exports to other Asian countries will continue to grow in 2021 and 2022. Ongoing impacts from ASF will support exports to the Philippines, Vietnam, and Taiwan. With over 70 percent of domestic production exported, Canada’s pork sector will continue to remain vigilant to the threat of ASF.

Canada Pork Exports

January to June (metric tons, CWE*)

Partner	Quantity			Market Share(%)			Change 2021/2020	
	2019	2020	2021	2019	2020	2021	Volume	Percent
World	657,906	771,729	767,376	100.00	100.00	100.00	-4,352	-0.56
EU	1,126	549	237	0.17	0.07	0.03	-311	-56.76
CPTPP	212,617	193,181	216,788	32.32	25.03	28.25	23,607	12.22
United States	151,112	157,012	174,285	22.97	20.35	22.71	17,273	11.00
China	215,133	341,396	210,293	32.70	44.24	27.40	-131,103	-38.40
Japan	146,083	145,178	140,231	22.20	18.81	18.27	-4,948	-3.41
Mexico	56,069	40,171	69,688	8.52	5.21	9.08	29,517	73.48
South Korea	22,579	16,371	25,761	3.43	2.12	3.36	9,390	57.35
Philippines	16,249	16,648	81,359	2.47	2.16	10.60	64,711	388.70
Vietnam	123	12,591	16,785	0.02	1.63	2.19	4,194	33.31
All other countries	201,670	199,374	223,259	30.66	25.83	29.10	23,885	11.98

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

FAS/Ottawa forecasts pork imports to grow four percent in 2022 following a five percent decline in 2021. Imports are needed to supplement domestic production given Canadian consumer preference for certain cuts. Recovery of slaughter and increased production will lessen imports in 2021, however, lower production in 2022 will support additional imports to maintain domestic demand. The United States will remain the main source market for imports. Geographic proximity will continue to support large volume imports from the United States over other markets.

Canada Pork Imports

January to June (metric tons, CWE*)

Partner	Quantity			Market Share(%)			Change 2021/2020	
	2019	2020	2021	2019	2020	2021	Volume	Percent
World	120,254	127,733	129,382	100.00	100.00	100.00	1,649	1.29
EU	14,867	13,179	20,210	12.36	10.32	15.62	7,031	53.35
CPTPP	1,736	954	2,656	1.44	0.75	2.05	1,702	178.31
United States	103,364	112,673	105,244	85.96	88.21	81.34	-7,429	-6.59
Germany	3,197	3,728	9,315	2.66	2.92	7.20	5,587	149.86
Denmark	3,981	3,089	2,530	3.31	2.42	1.96	-560	-18.12
Poland	2,006	1,435	1,863	1.67	1.12	1.44	428	29.78
All other countries	7,706	6,808	10,430	6.40	5.33	8.06	3,622	53.20

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

Policy:

BSE Negligible Risk

In May 2021 Canada obtained OIE negligible risk status for BSE. Canada last reported a BSE case in 2015 in a cow born in 2009. Achieving negligible risk status for BSE will help with negotiations for further market access for Canadian beef where controlled risk status was not sufficient to see all Canadian beef products approved. As of the writing of this report, Singapore is the first country to drop

their remaining BSE restrictions on Canadian beef and approve full access to Canada as a negligible risk country. Canada will continue to work toward full approval for beef exports to China, South Korea, Taiwan and alignment of specified risk material with the United States.

China

As of the writing of this report, Canadian meat processors are voluntarily suspending exports to China if a COVID-19 case is identified at the plant. Finalized details on when plants may resume exports following detection of cases have not been fully identified at this time. This initiative follows action by China in 2020 which saw several plants have their export eligibility to China suspended globally as a result of COVID-19 outbreaks in those facilities. A number of Canadian beef and pork processing plants are awaiting resumption of export eligibility to China.

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. Once fully implemented, the Pork PRA will see a levy collected on the marketing of hogs for interprovincial or export trade as well as an import levy on live hogs and pork products imported into Canada. The import levy is expected to be CAD 0.80 per hog, or equivalent adjustment for pork products, based on matching the lowest provincial levy amount. As Canada is currently in the midst of a federal election, finalization of the levy order will be delayed until post-election meaning the import levy would not come into effect until late 2021 or in 2022 depending on timeline for resumption of normal government operations post-election. Additional information can be found on the Pork PRA [website](#).

Attachments:

No Attachments