

Required Report: Required - Public Distribution

Date: September 25, 2024

Report Number: CA2024-0044

Report Name: Livestock and Products Annual

Country: Canada

Post: Ottawa

Report Category: Livestock and Products

Prepared By: Alexandra Watters

Approved By: Tacarra Birmingham

Report Highlights:

The Canadian cattle herd is forecast to sustain the long-term trend of contraction to begin 2025 but will begin to stabilize by year's end on improved feed pricing and availability. A smaller calf crop will be produced based on 2024 breeding stock but heifer retention should improve if feed conditions continue to remain stable or improve. Higher heifer retention coupled with a smaller calf crop will see lowered beef production and slaughter in 2025. As a percent of production, Canadian beef exports are forecast to remain strong while imports are forecast to soften on weakened consumer demand. The Canadian swine herd is also forecast to remain relatively stable in 2025. Contraction in Eastern Canada will be offset by growth in Western Canada. Slaughter is forecast at one percent above 2024 with increased utilization and small expansion in Western Canada. Imports will lag 2024 as domestic consumption continues to struggle.

Cattle and Beef

The Canadian cattle herd will continue to contract to begin 2025 but will stabilize with improved pasture conditions, feed pricing, and feed availability. Following multiple years of drought and lingering drought impacts, optimism exists with improved pasture conditions and lowered feed prices in 2024. Despite this, strong cattle pricing has led to heifer marketings which will delay any rebuild of the Canadian breeding herd to post-2025. Feeder cattle numbers will be propped up by importing U.S. feeder cattle. Live cattle exports will drop off 2024 pace but fed exports will continue as a greater proportional representation of live exports with demand from U.S. processors. On a smaller number of available animals for slaughter, slaughter is forecast to decline two percent in 2025. Beef production is forecast to decline on lower slaughter numbers but heavier weights will help to mitigate production declines. Cattle prices could challenge retention decisions, especially given the aging demographic of Canada's producers. Some may choose herd dispersal with high prices. Beef imports will drop off 2024 volumes, as consumption declines amidst higher prices. Canadian exporters will continue to target expansion of export efforts in the Indo-Pacific region. While overall beef exports are forecast lower in 2025, exports as a proportion of domestic production will remain stable on 2024 levels as Canadian beef moves to higher value markets and domestic needs are backfilled by lesser value imports.

Swine and Pork

The Canadian swine herd is forecast to remain relatively stable for 2025. Contraction in Eastern Canada with previous years' processing reductions will be offset by expansion in Western Canada. Strong sow productivity will see slightly larger pig crop numbers and increase slaughter capacity utilization in Western Canada will see slaughter increase slightly compared to 2024. Feed costs and feed outlook are significantly improved compared to the previous year. Live exports to the United States will decrease slightly from 2024 with lowered market hog exports and slight growth in weaner/feeder exports. Expanded sow processing capacity in Western Canada will see fewer cull sow exports. Consumer demand will remain tepid with import volumes declining as a result. Pork exports are forecast to grow slightly.

Cattle:

Table 1- Production, Supply and Distribution Estimates

CANADA Animal Numbers CATTLE ('000 head)	2023		2024		2025	
	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	11,295	11,245	11,055	11,025	0	10,930
Dairy Cows Beg. Stocks	965	965	964	963	0	960
Beef Cows Beg. Stocks	3,548	3,532	3,465	3,424	0	3,390
Production (Calf Crop)	4,285	4,341	4,200	4,310	0	4,280
Total Imports	301	294	275	300	0	295
Total Supply	15,881	15,880	15,530	15,635	0	15,505
Total Exports	734	734	775	785	0	700
Cow Slaughter	534	546	470	470	0	430
Calf Slaughter	189	207	190	180	0	170
Total Slaughter	3,568	3,593	3,450	3,420	0	3,360
Loss	524	528	445	500	0	495
Ending Inventories	11,055	11,025	10,860	10,930	0	10,950
Total Distribution	15,881	15,880	15,530	15,635	0	15,505

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

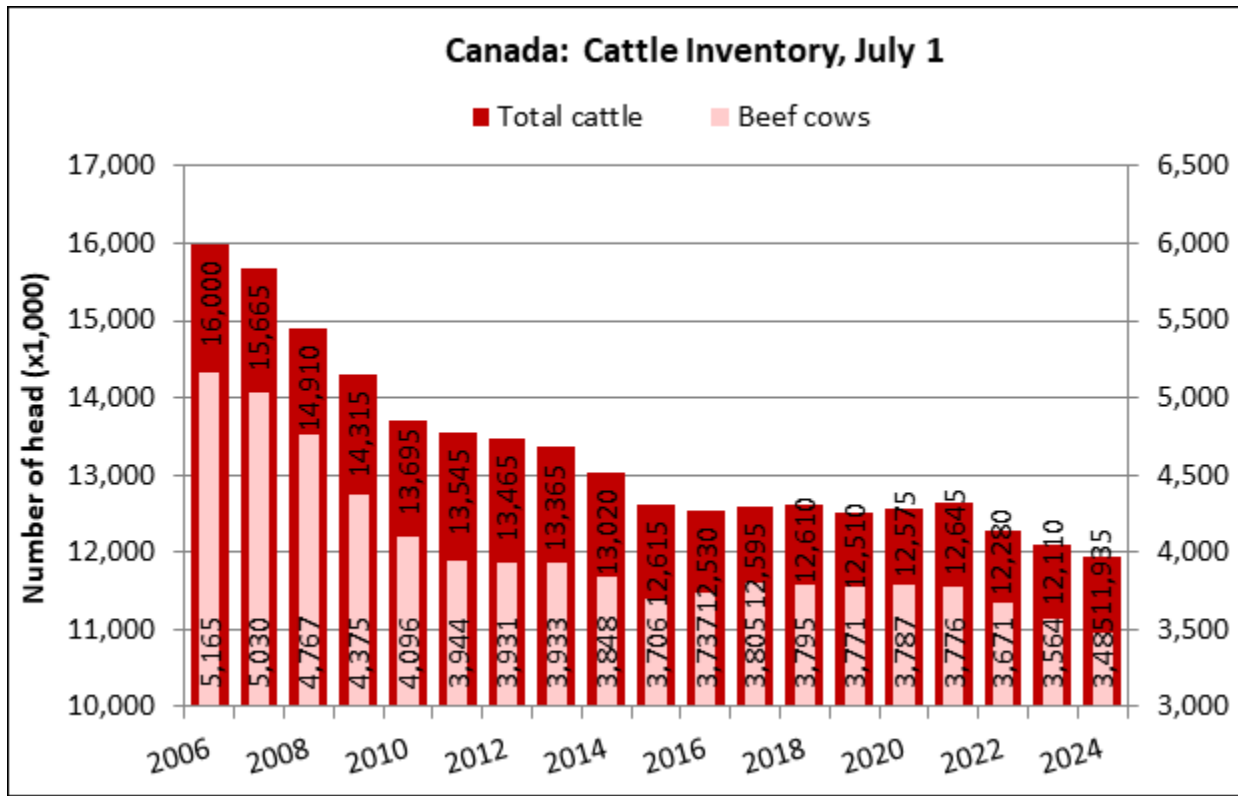
Note: "NEW FAS/Ottawa" data reflect author's assessments and are NOT official USDA data

Cattle Production: Canadian Begins to Stabilize

FAS/Ottawa forecasts the Canadian cattle herd will begin 2025 with a year-over-year decline in beginning stocks of one percent but will conclude 2025 entering a period of stabilization. The Canadian cattle herd reached its smallest size since 1987 in 2024, the result of a multi-year drought, particularly in the main cattle producing regions on the Canadian Prairies. While drought conditions continue to persist in certain regions through summer 2024, timely spring and summer moisture helped alleviate dry pasture conditions in many regions leading to more optimism around feed availability and halting herd liquidations. With improved pasture conditions, expectations of greater feed availability through the winter, and resulting lower feed costs, this has slowed cow culling and should signal producers to increase heifer retention to build back breeding herds. However, the extent of this is unlikely to be realized until post-2025 and will remain dependent on pasture conditions continuing to improve and feed availability and costs remaining optimal. While producers should increase heifer retention in the back half of 2024, FAS/Canada is anticipating that strong cattle pricing will lead many producers to look to seize an opportunity in profitability and continue to market heifers and open cows. Additionally, the aging demographics of Canadian cattle producers continue to be a factor. Some operations may determine that now is an optimal time for herd dispersal while prices are high. There is also a pull for pastureland to be converted to cropland. The labor intensity of a cattle operation is much higher than for crops where there is an off-season and while beef demand continues to be strong, demand for crops is as well. If good moisture conditions persist through 2025, FAS/Canada forecasts that the Canadian cattle herd will begin to stabilize and be primed to enter a period of rebuild with cow slaughter and heifer slaughter reductions and improved heifer retention.

For 2025, FAS/Canada forecasts a one percent reduction in the beef cow herd. Cow slaughter began slowing in the second quarter and is expected to continue to slow year-over-year on better pasture and feed conditions. While the cow stocks to cull ratio has dropped below the five year average, heifer slaughter continues to outpace 2023. Strong pricing remains a factor for producers determining whether to retain heifers for rebuild or sell. FAS/Canada forecasts that 2024 cow slaughter and heifer slaughter will lead to a slight contraction of the beef cow herd to begin 2025 with strong pricing continuing to pull heifers to slaughter rather than remaining as breeding stock replacement although improved pasture and feed availability will encourage heifer retention and investment in the future herd to limit the contraction to a one percent reduction. The cow-calf sector will look to see stabilization in 2025 to prepare for a herd rebuild.

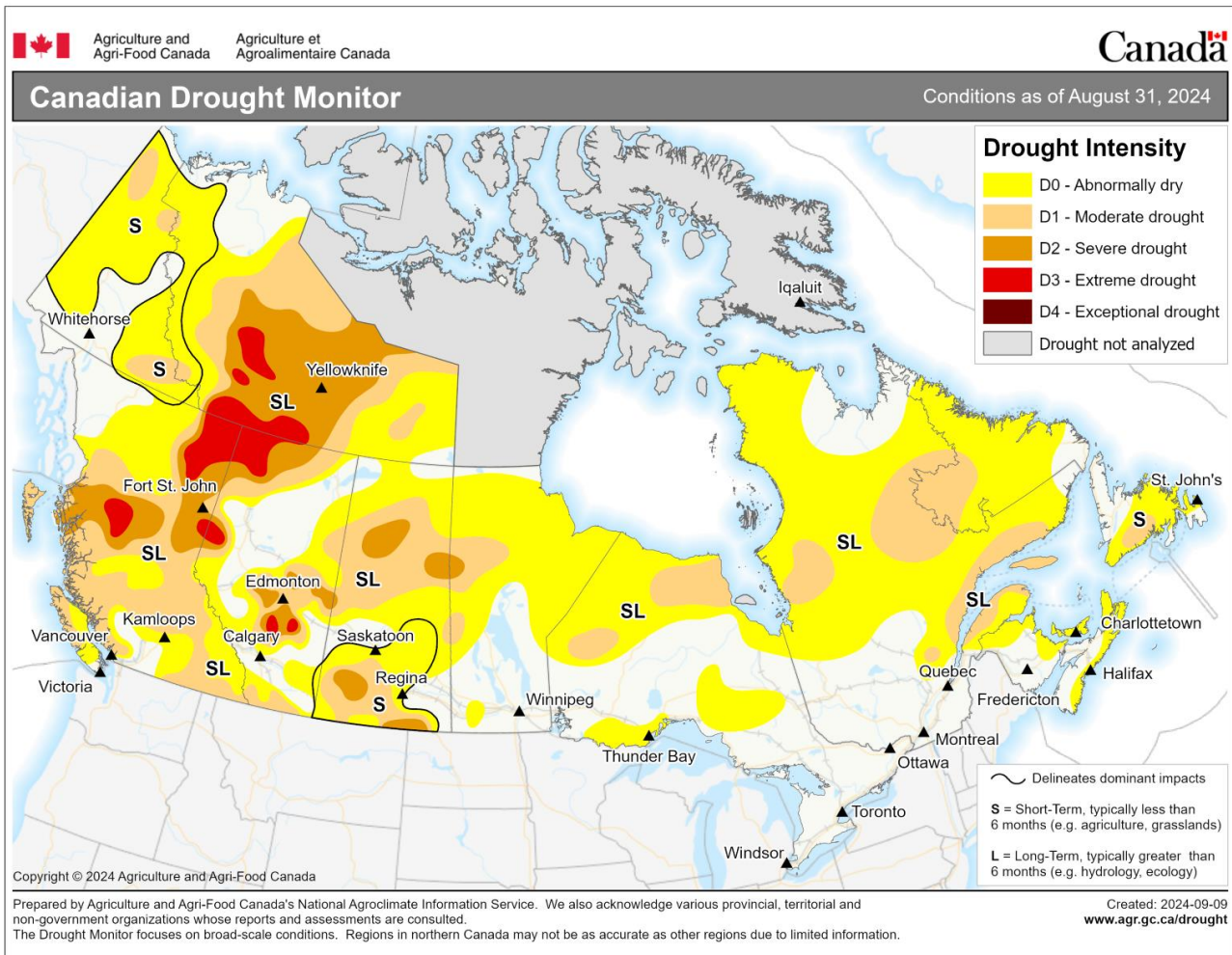
Figure 1- Canadian Cattle Inventory, July 1



Source: Statistics Canada

On a smaller beef cow herd, FAS/Ottawa is forecasting a one percent decline for the 2025 calf crop. Cow fertility has been performing strongly, likely as a result of aggressive culling practices during spurred by drought conditions. While improved pasture and feed conditions could see fertility rates dip as producers may be less likely to aggressively cull animals, current prices will still see producers keep up recent practices of removing open and less productive animals from their herds. This will support a maintenance of strong reproductive performance through 2025 on a per animal basis.

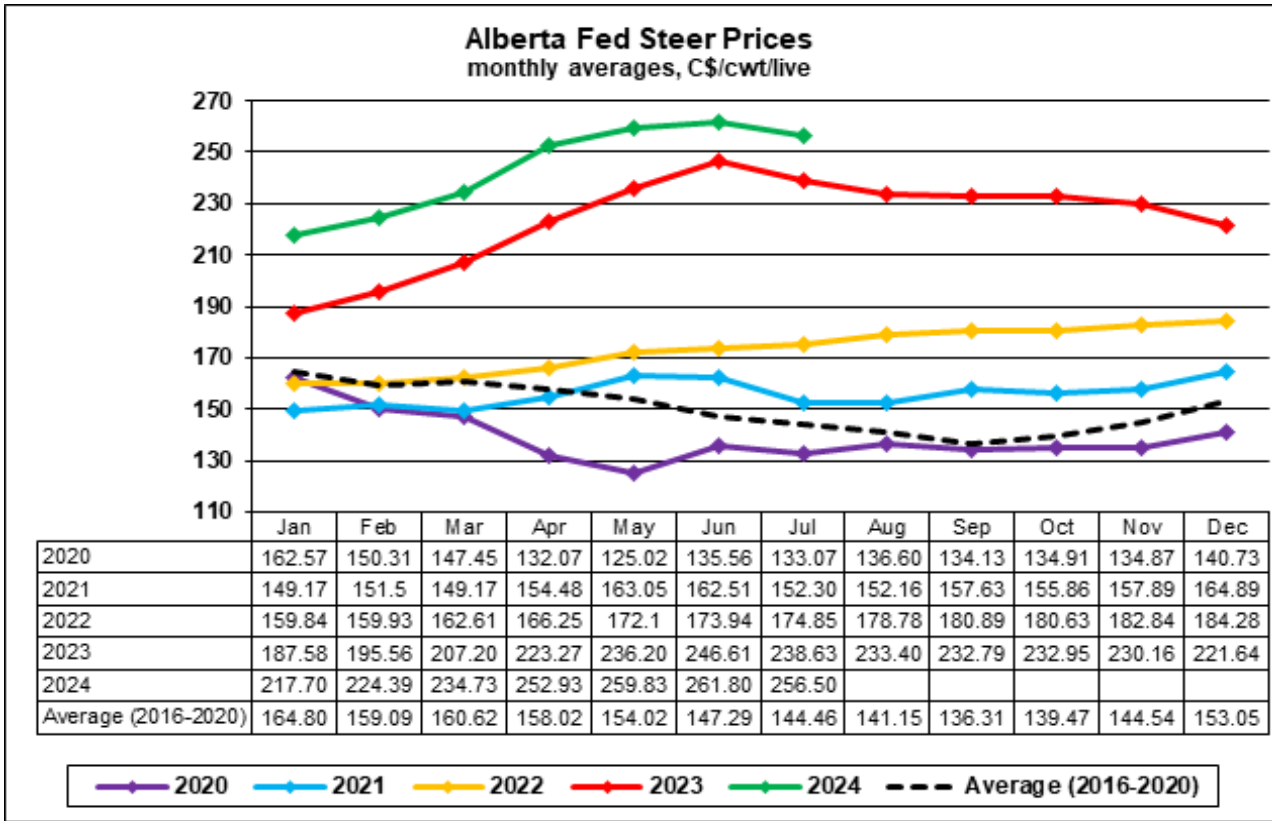
Figure 2 – Canadian Drought Monitor map, Conditions as of August 31, 2024



Source: Agriculture and Agri-Food Canada

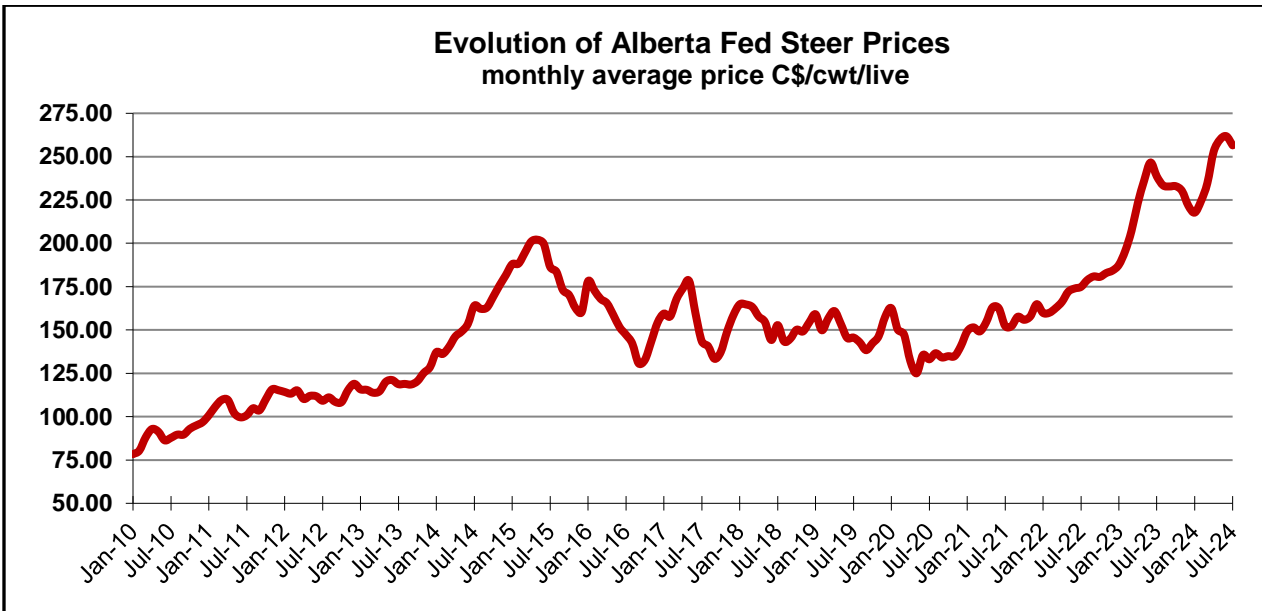
Improved moisture conditions leading to improved pasture conditions in many regions which have experienced multi-year drought have created optimism heading into 2025. Feed prices have come down and feed availability is anticipated to be greatly improved. Some areas in Western Canada will continue to be challenged by dry conditions and conversely, in Eastern Canada excess rainfall has been a factor in haying and planting. Depending on fall weather conditions, this could also continue to play a role in harvest. However, overall, the feed outlook is favorable. In previous years, Canada’s cattle feeders have relied on importing feed from the United States, particularly corn by rail. But importing feed is cost-prohibitive for cow-calf producers who face decisions on liquidation and herd dispersal when feed supplies become too tight. Based on current trends, Canada’s cattle feeders and cow-calf sector will have sufficient feed availability and supportive pricing into 2025.

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: Fed Cattle Exports Decline on Lower Supplies

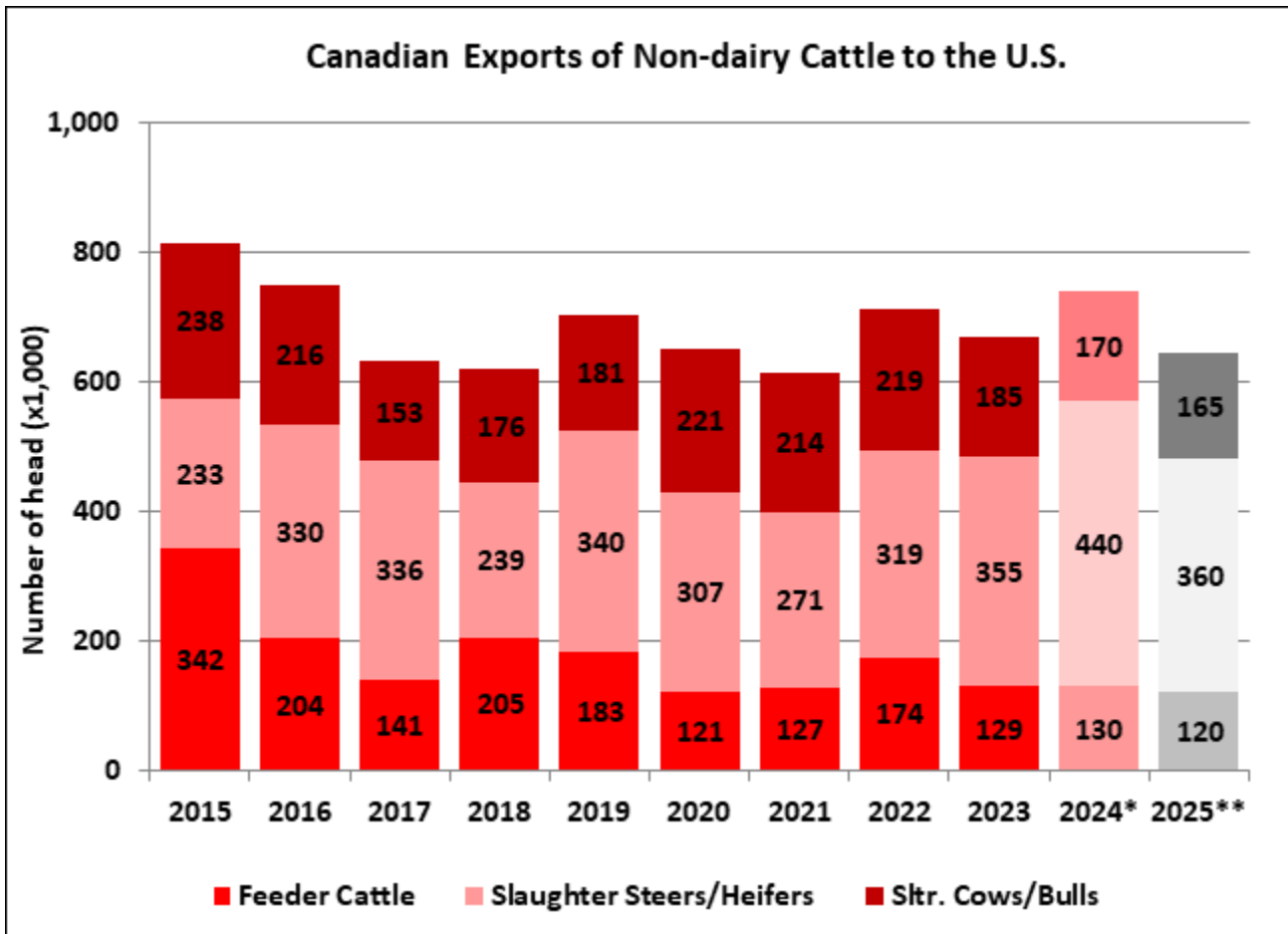
FAS/Ottawa forecasts an eleven percent reduction on live cattle exports in 2025 following robust growth in 2024. Improved pasture conditions, cow and heifer retention, and overall feed availability with a smaller number of animals moving into the processing pipeline will contribute to the decline.

Contraction in the U.S. herd and a regional need for Canadian fed cattle to support processing demand has supported robust Canadian fed cattle exports to the United States in 2024. Earlier concerns on feed availability and pricing will see feeder exports slow in the second half of 2024 as will cull cow exports. Reported expansion in Canadian feedlot bunk space with higher feed availability and lower feed costs will see fewer feeder cattle exports in 2025. On a smaller overall number, fed exports will be reduced in 2025 but as a percent of overall exports, will continue to outperform the five-year average. Drought conditions and feed availability in the United States will be a factor on the pull of feeder versus fed cattle as with Canada.

Unlike previous years where drought was a factor, the 2024 fall calf run should return to a more normal flow of animals and improved feed outlook should support more animals remaining on backgrounding operations into 2025. Canadian fed exports are essential to filling hook space in certain regions of the United States. Additionally, the large federal processors in Canada are multinationals that also have U.S. operations. Ultimately, they will shift cattle numbers in a way that makes sense for their operations. Larger Canadian feedlots have established supply chains to support fed cattle transport to the United States and return with feeder cattle loads rather than return with an empty truck. A small U.S. herd will make this more challenging. A projected weaker Canadian dollar relative to the U.S. dollar in 2025 would also lower Canadian feeder purchasing power, but conversely could support more live exports.

To transition into a stabilization and eventual herd rebuild, Canadian cow-calf producers will need to increase heifer retention. With this forecast to occur in 2025, removal of these heifers from the fed cattle volumes will negatively impact fed exports as well.

Figure 5 – Canadian Exports of Non-Dairy Cattle to the United States

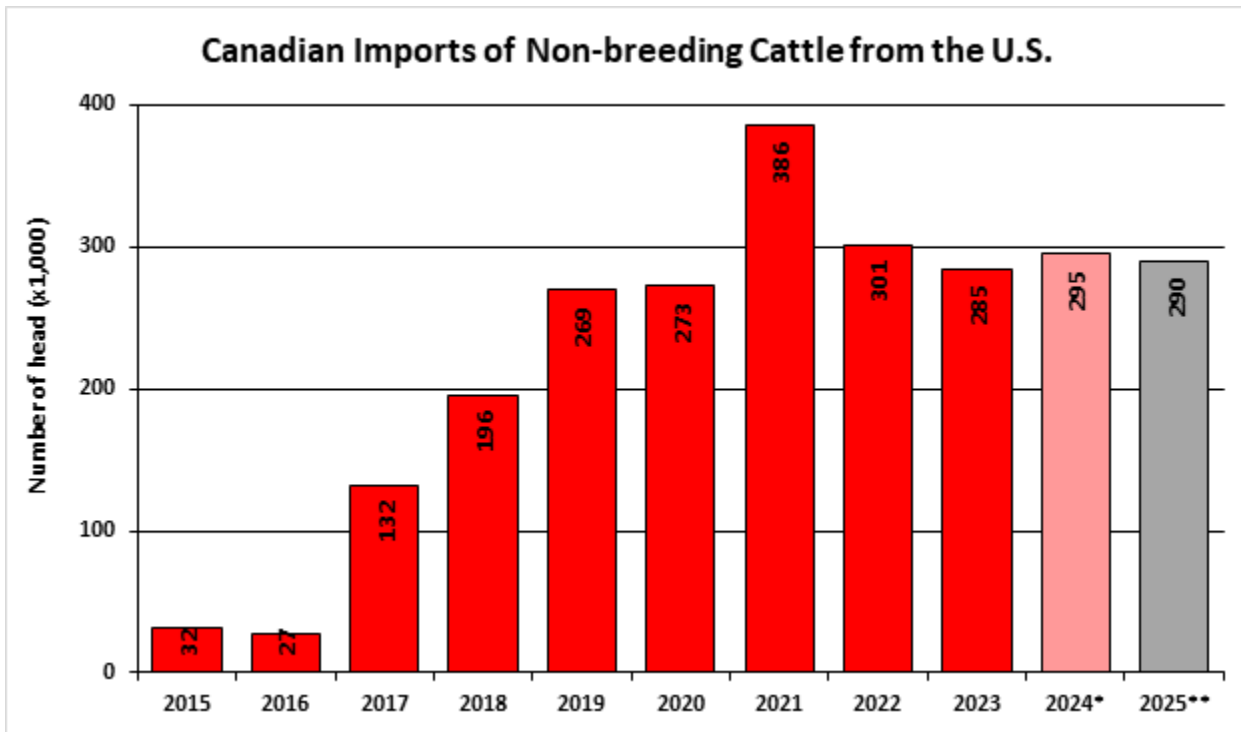


Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

FAS/Ottawa is forecasting a decline in live cattle imports for 2025 following an estimated slight growth in imports for 2024. Improved feed pricing and availability will support Canadian feed lots importing U.S. feeders to supplement domestic supply in 2024. Canada is projected to remain a net feeder cattle importer in 2025 based on need to supplement the domestic herd but competition for cattle and a weaker dollar could weigh on imports. Availability of beef-on-dairy U.S. feeders will also be a factor.

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



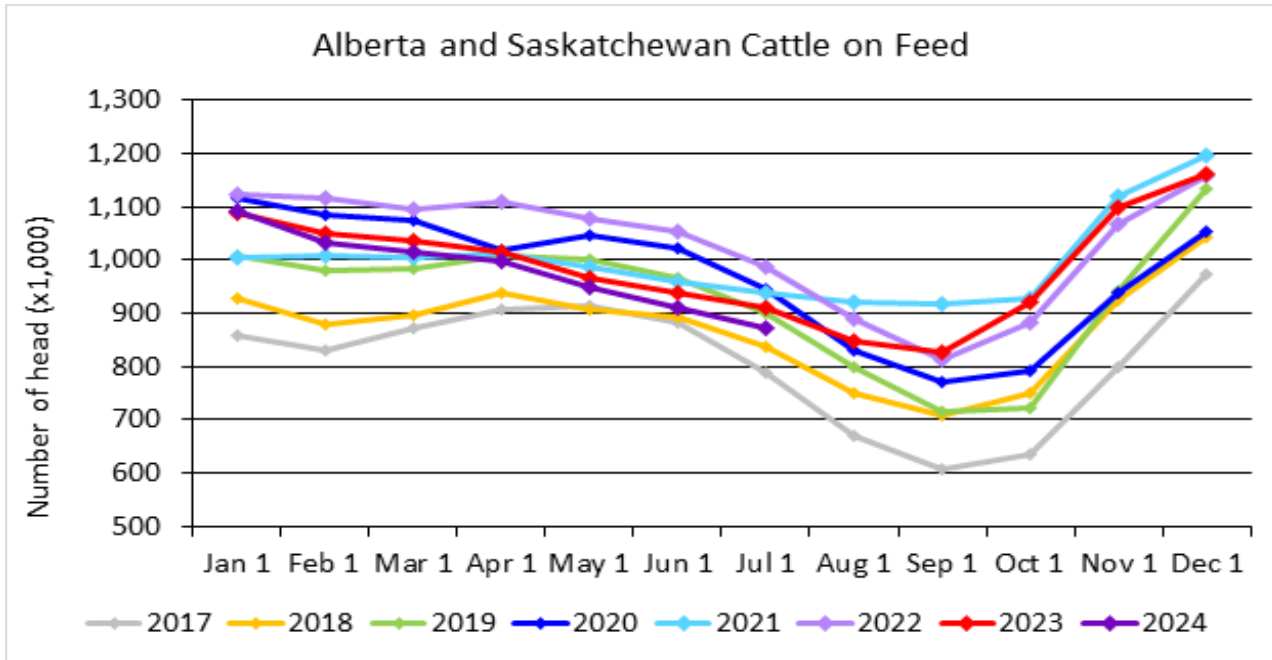
Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

Slaughter: Smaller Herd, Fewer Head Processed

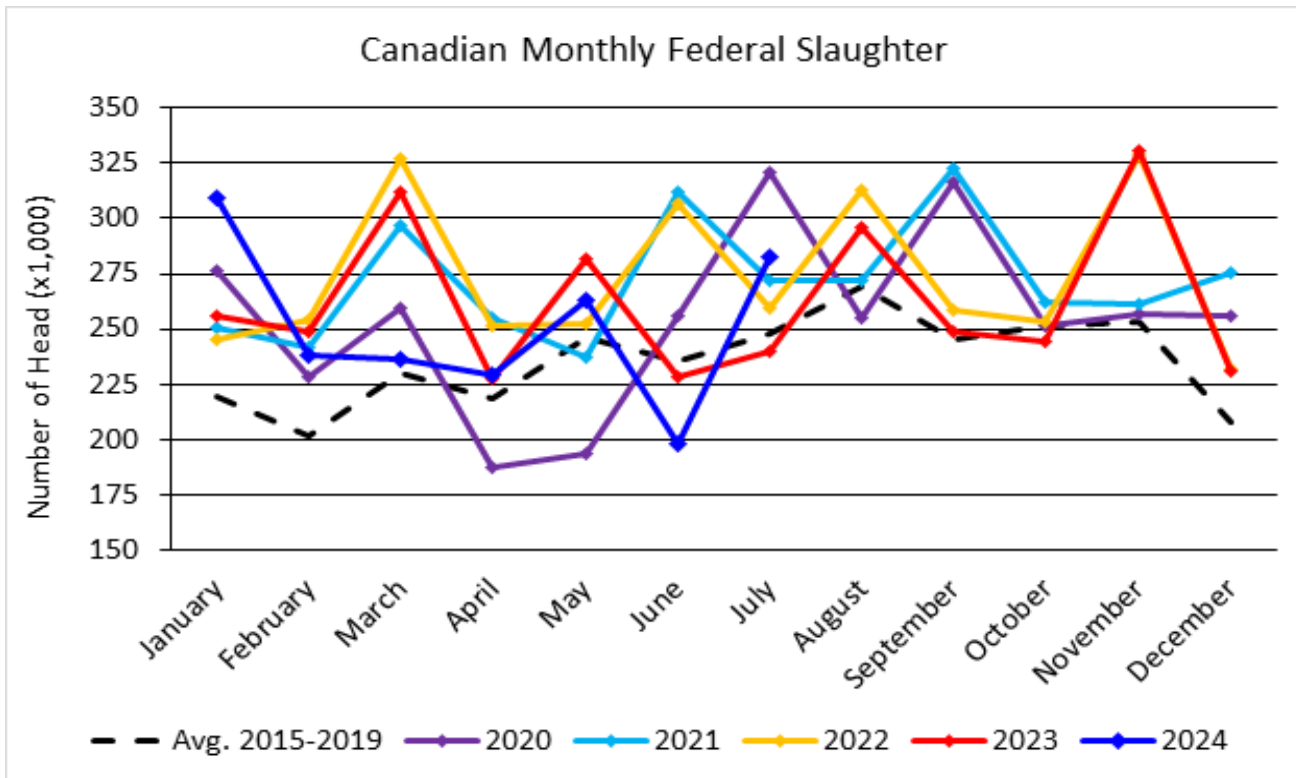
FAS/Ottawa forecasts a two percent decline in 2025 slaughter numbers, following an estimated five percent reduction in 2024. Eastern Canada processing was challenged by a six-week strike at Canada’s third largest federal processing plant in spring of 2024. While removal of that slaughter capacity weighed on total head slaughtered, 2024 slaughter numbers are reduced on a continually contracting herd as well and an end to herd liquidation as drought conditions have mitigated. A smaller calf crop in 2025 and more heifer retention for breeding replacement will see slaughter numbers reduced yet again. Smaller numbers of cattle available for slaughter in North America are supporting stronger cattle pricing and while beef demand continues to be strong, consumer purchasing power may be challenged and processors will be conscious of high costs. While processing capacity was a significant topic in Canada during the COVID-19 pandemic due to processing plant closures and supply chain disruptions, the size of the Canadian cattle herd makes expanding capacity a challenging argument. There is both feeding capacity and slaughter capacity available in Canada.

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	2023		2024		2025	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	3,568	3,593	3,450	3,420	0	3,360
Beginning Stocks	42	42	36	36	0	35
Production	1,326	1,326	1,320	1,315	0	1,300
Total Imports	241	241	255	260	0	245
Total Supply	1,609	1,609	1,611	1,611	0	1,580
Total Exports	572	572	590	595	0	580
Total Dom. Consumption	1,001	1,001	986	981	0	970
Ending Stocks	36	36	35	35	0	30
Total Distribution	1,609	1,609	1,611	1,611	0	1,580

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

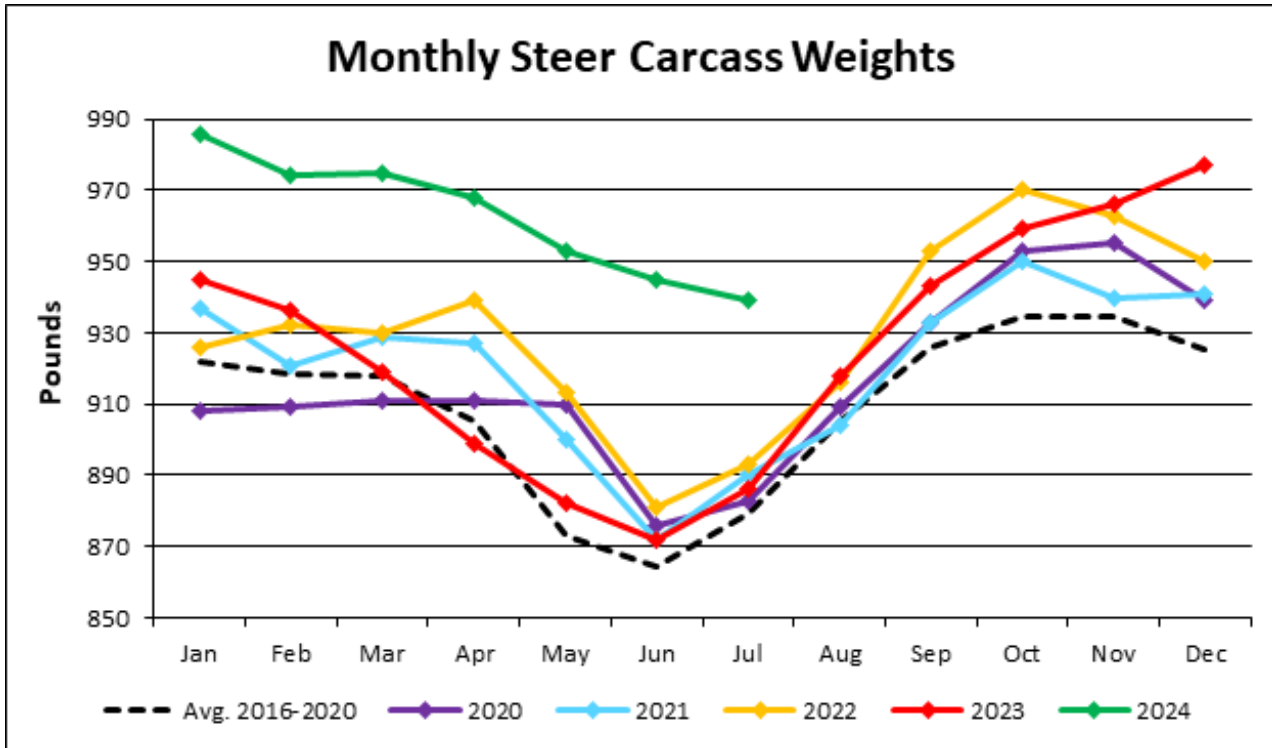
Data in '000 metric tons, except for "slaughter" which is in '000 head

Beef Production: Beef Production Contracts

FAS/Ottawa forecasts 2025 beef production to contract one percent as lower slaughter numbers are not fully offset by heavier carcass weights. Beef output per animal has supported beef production as slaughter numbers are reduced. Smaller on feed numbers and calf crops in 2024 and 2025 should support this trend to continue. Good feed quality and availability and lower feed prices will also support heavier finishing weights. However, smaller on feed numbers could see some demand to pull animals forward depending on beef demand, which may put downward pressure on carcass weights. Currentness caused carcass weights to drop off in 2023 and with the smallest reported cattle on feed numbers for

Alberta and Saskatchewan in July since 2018, beef output will be dependent on whether feeders can finish to a heavier weight or if processing demand will pull those animals out of feedlots sooner. In order to prevent more substantial declines in beef production, heavier carcass weights need to be supported in the absence of higher slaughter numbers.

Figure 9- Monthly Steer Carcass Weights



Source: CanFax

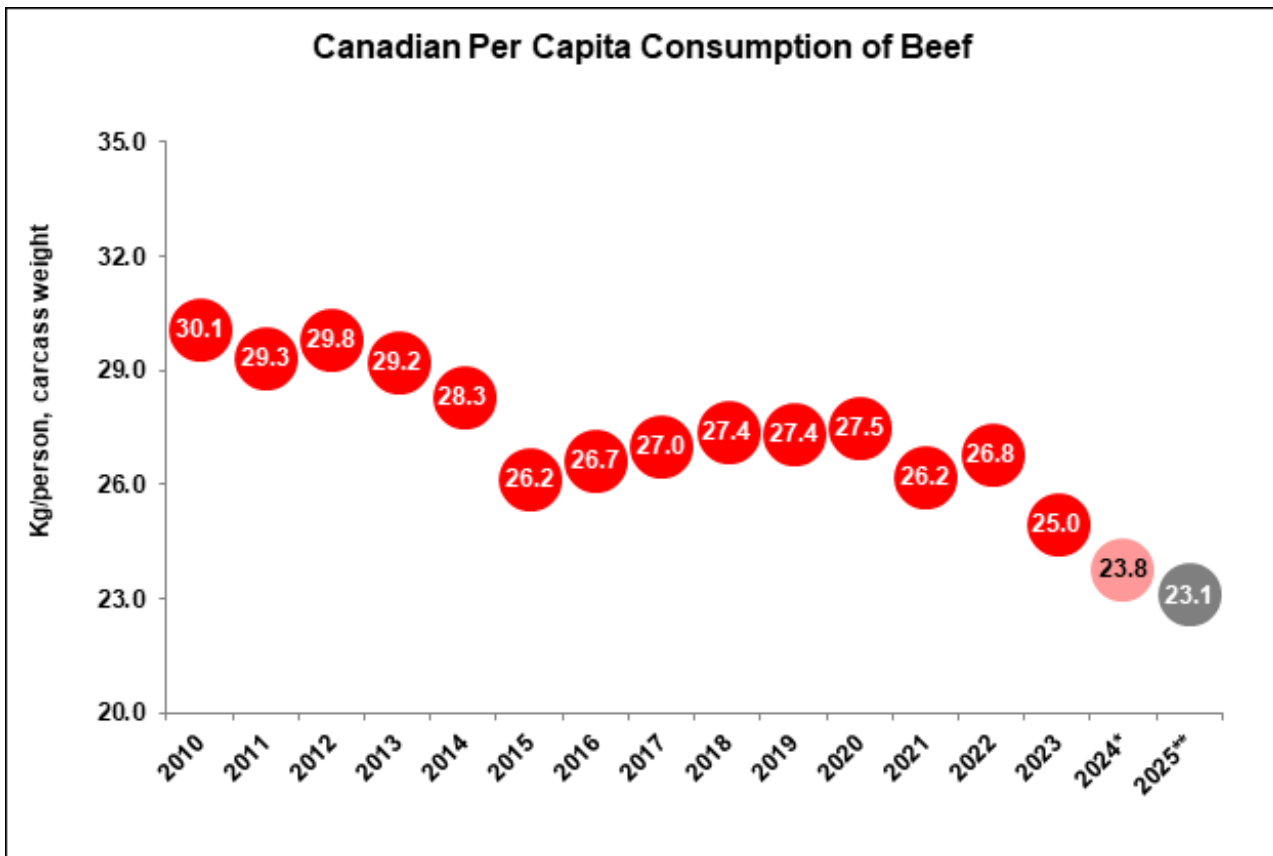
Beef Consumption: Consumption Declines On Higher Prices

FAS/Ottawa forecasts beef consumption to decline a further one percent in 2025 from an estimated two percent decline in 2024. Rising costs and consumer concerns about the cost of living are constraining consumer spending habits. At retail, consumers may be shifting to lower priced beef products, such as ground beef, and holding off purchases for flyer features. For a period of time, Canadian consumers seemed to ignore rising beef prices but this behavior pattern is now shifting. Despite this, demand remains strong with Canadian consumers valuing a high-quality beef cut but conserving by purchasing this product less frequently. Beef continues to be the more expensive protein and even ground beef is becoming less cost competitive against pork and chicken. Higher-value export markets will also

continue to pull volume from the domestic supply, with lower value imports backfilling to meet domestic demand.

Canada saw significant population growth in the past few years, fueled predominately by immigration. Culturally, some of these populations may be less inclined to consume beef compared to other protein sources. Additionally, lower socioeconomic status and higher unemployment rates amongst some of these newcomer populations could be expected to be negative impacting purchasing power for beef.

Figure 10- Canadian per Capita Consumption of Beef



Source: Statistics Canada, FAS/Ottawa

Note: *estimate **forecast

Beef Trade: Exports Drop Slightly On Lower Volume Production

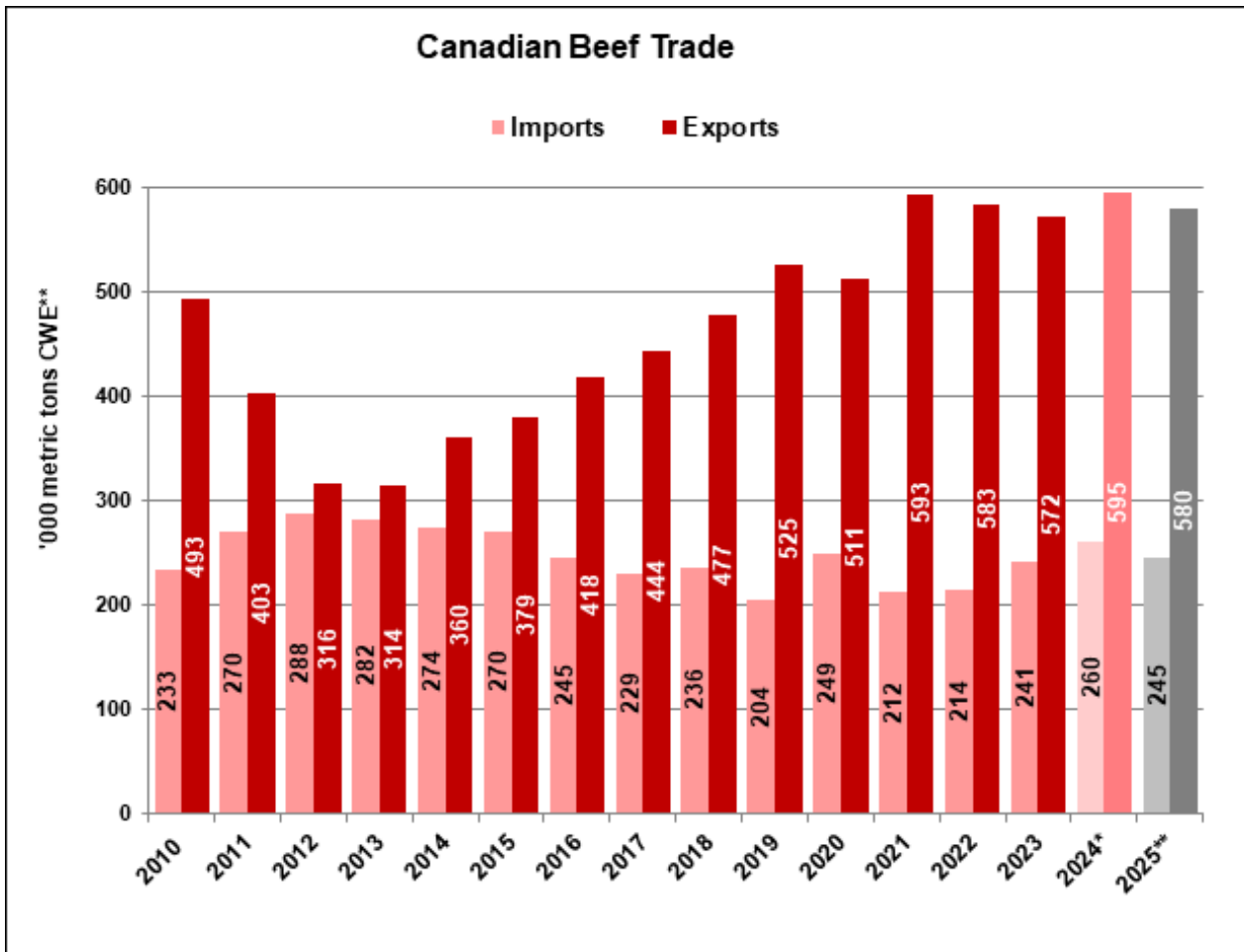
FAS/Ottawa forecasts beef exports to be reduced three percent by volume in 2025 off an estimated growth of four percent in 2024. The Chinese market continues to remain closed to Canadian beef exports. It has been closed since Canada detected an atypical bovine spongiform encephalopathy (BSE) case in 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. Despite losing what had materialized as a significant volume market, Canada's exports have remained strong. Despite lower production and slaughter numbers, Canadian beef has been supported by international demand and FAS/Ottawa forecasts that exports will remain at a higher percent of production for 2024 and 2025 compared to 2023. 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.

Exports to Canada-European Union Comprehensive Economic and Trade Agreement (CETA) countries continue to underperform relative to imports from the European Union. Canada is still awaiting recognition of carcass washes utilized in many Canadian plants by the European Union. Recognition of these washes could help to see higher volumes move to that market. However, additional barriers remain, and few exporters are optimistic about opportunity in that market until non-tariff barriers are addressed.

A weaker Canadian dollar in 2025 would be supportive of beef exports. There is expectation for the Canadian dollar to weaken against several Asian currencies and the U.S. dollar which could facilitate more volume movement into those markets. A weakened Peso could negatively impact exports to Mexico; however, industry contacts have noted that there is a desire to ensure presence is maintained in faithful trading markets. Exporters are eager to maintain strong relationships with long-term buyers while also capitalizing on opportunities with higher profitability. Proximity and established supply chains will continue to see the United States as the main export market for Canadian beef by volume.

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

Strong export activity and shifting consumer preferences have supported higher imports in 2024. FAS/Canada forecasts that this import demand will drop off in 2025 as declining consumption continues. A weakened Canadian dollar could also curtail import activity. Demand for ground beef, has supported an increase in lean trim imports. Imports from Australia, New Zealand, and South American countries are supporting this demand. Canada opened market access, with conditions, to beef from Paraguay in April 2024 with the first shipment reportedly departing Paraguay in June 2024. Estimates have suggested that Paraguay may ship 3,000 to 5,000 MT of beef to Canada annually. A smaller U.S. cattle herd and strong pricing is anticipated to see lowered imports from the United States. However, the United States will remain the dominant supplier for beef imports into Canada given geographic proximity and supply chain integration.

Table 3- Canadian beef and veal exports.

Canada Beef and Veal Exports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2024/2023	
	2022	2023	2024	2022	2023	2024	Volume	Percent
World	280,537	272,838	283,622	100.00	100.00	100.00	10,784	3.95
CPTPP	40,875	34,816	33,518	14.57	12.76	11.82	-1,298	-3.73
EU	762	1,041	531	0.27	0.38	0.19	-510	-48.99
United States	215,741	218,314	231,151	76.90	80.02	81.50	12,837	5.88
Japan	29,988	18,373	19,401	10.69	6.73	6.84	1,028	5.60
Hong Kong	2,019	1,795	1,174	0.72	0.66	0.41	-621	-34.60
Mexico	10,825	16,044	13,717	3.86	5.88	4.84	-2,327	-14.50
South Korea	10,772	9,382	8,143	3.84	3.44	2.87	-1,239	-13.21
Vietnam	6,186	4,073	4,439	2.21	1.49	1.57	366	8.99
All other countries	5,006	4,857	5,597	1.78	1.78	1.97	740	15.24

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 2024/2023	
	2022	2023	2024	2022	2023	2024	Volume	Percent
World	108,428	110,843	127,015	100.00	100.00	100.00	16,172	14.59
CPTPP	15,827	15,838	21,166	14.60	14.29	16.66	5,328	33.64
EU	9,182	4,455	5,292	8.47	4.02	4.17	837	18.79
United States	64,881	66,306	64,674	59.84	59.82	50.92	-1,632	-2.46
New Zealand	9,056	8,391	13,993	8.35	7.57	11.02	5,602	66.76
Uruguay	6,211	10,272	11,322	5.73	9.27	8.91	1,050	10.22
Australia	7,442	6,997	16,657	6.86	6.31	13.11	9,660	138.06
Mexico	6,268	7,043	6,645	5.78	6.35	5.23	-398	-5.65
United Kingdom	3,563	646	2,327	3.29	0.58	1.83	1,681	260.22
All other countries	11,007	11,188	11,397	10.15	10.09	8.97	209	1.87

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)	2023		2024		2025	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Forecast
Total Beginning Stocks	13,905	13,900	13,765	13,975	0	13,950
Sow Beginning Stocks	1,228	1,227	1,200	1,215	0	1,220
Production (Pig Crop)	30,046	30,241	29,450	29,500	0	29,600
Total Imports	7	3	4	3	0	3
Total Supply	43,958	44,144	43,219	43,478	0	43,553
Total Exports	6,750	6,750	6,990	6,930	0	6,800
Total Slaughter	21,947	21,924	21,250	21,200	0	21,350
Loss	1,496	1,495	1,449	1,398	0	1,403
Ending Inventories	13,765	13,975	13,530	13,950	0	14,000
Total Distribution	43,958	44,144	43,219	43,478	0	43,553

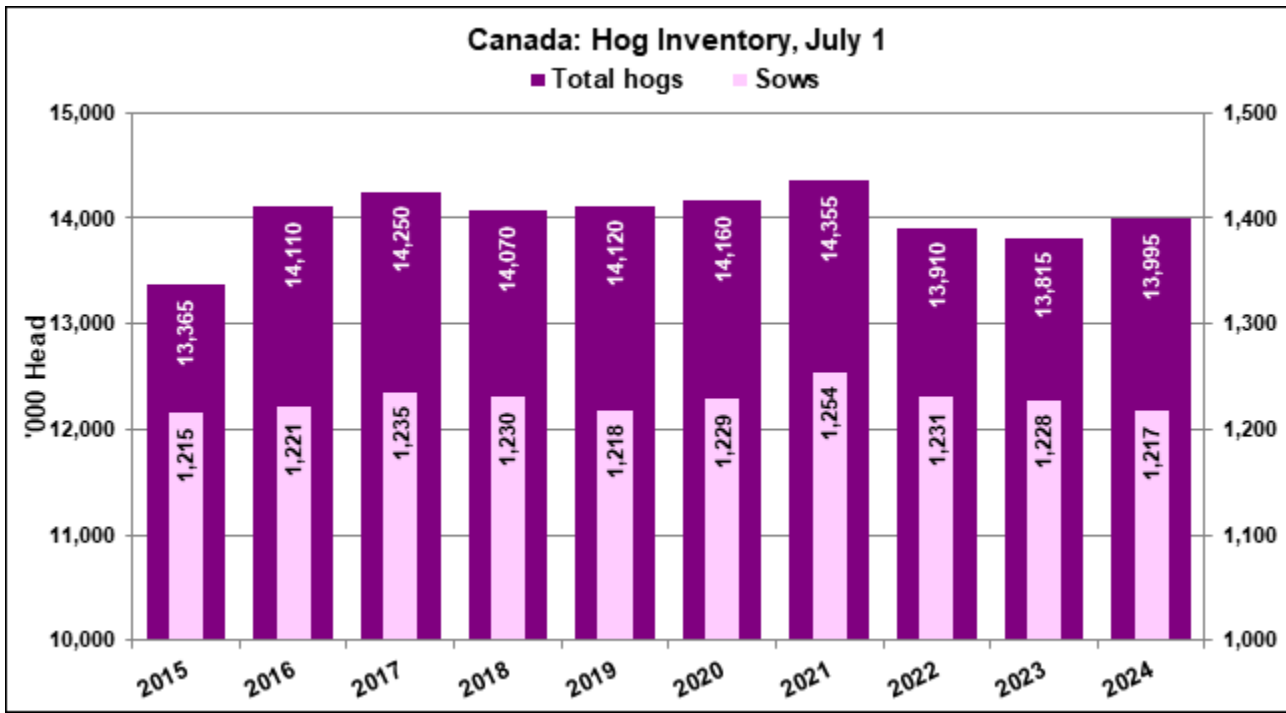
Source: USDA, Foreign Agricultural Service using data from the Production, Supply, and Distribution System

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

Production: Swine Herd Stabilizes

FAS/Canada forecasts relative stability for the Canadian swine herd in 2025. The impacts from the reduction in Eastern Canada processing and the idling and closure of sow barns in Western Canada should be settled. The sow herd is forecast to remain relatively stable with contraction in Eastern Canada and some expansion in Western Canada offsetting Eastern reductions. Feed costs and feed outlook are significantly improved relatively to last year.

Figure 12- Canadian hog inventory, July 1

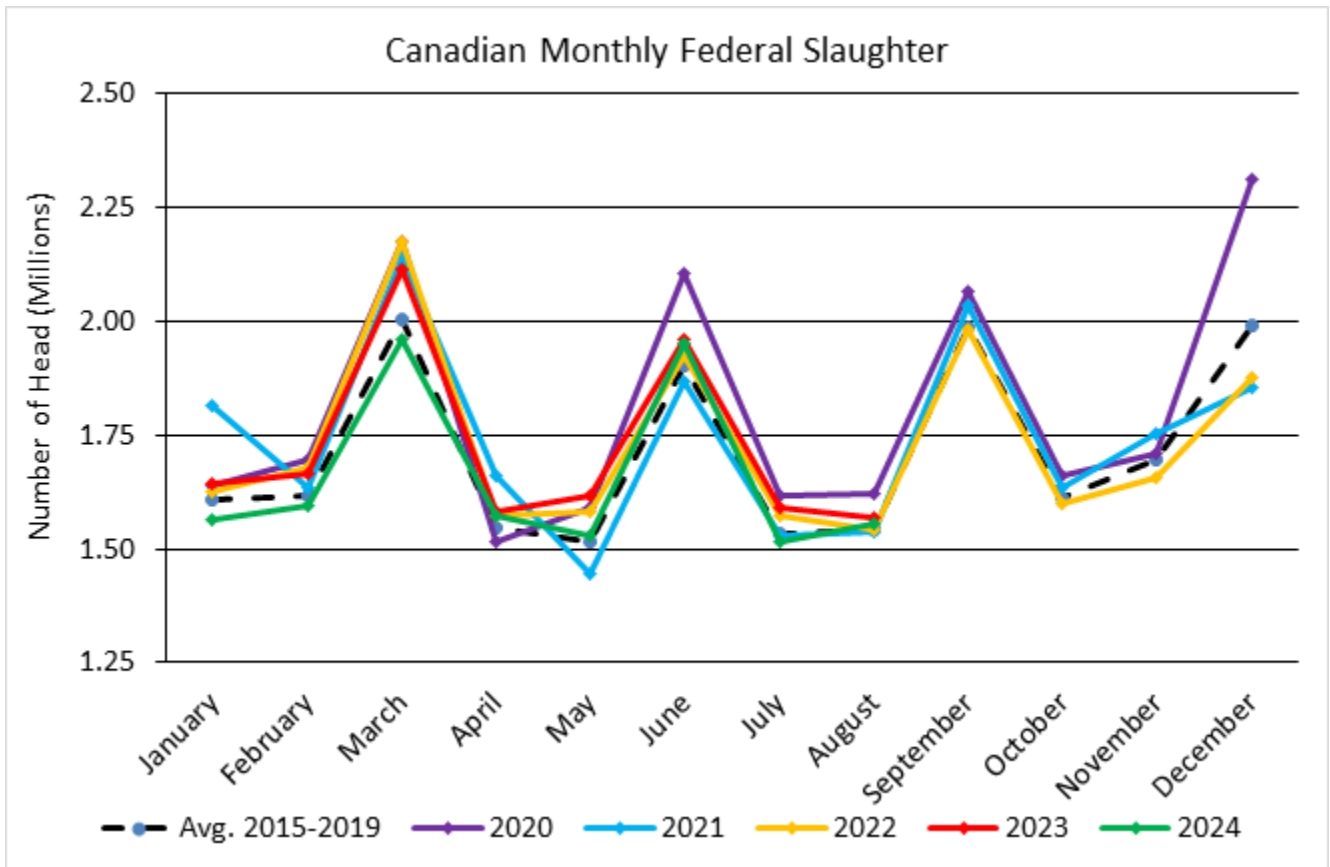


Source: Statistics Canada

FAS/Canada forecasts a relatively stable pig crop for 2025 based on forecast sow stocks. Fertility and reproductive performance is anticipated to remain strong. Biosecurity improvements and lessons learned from PEDv are anticipated to see lower levels of losses continue in 2025.

Olymel’s reductions in processing, announced and implemented in 2023, have resulted in a decrease in slaughter capacity in Eastern Canada for 2024. There is no indication of a recovery of this lost capacity imminently. There is optimism that there will be some expanded utilization of Western Slaughter capacity. There should also be additional cull sow slaughter capacity coming online in Western Canada in 2025 with the collaboration between Winkler Meats and Johnsonville slated to be completed. The United States will continue to be an important market for cull sow exports given processing capacity, but Canadian producers should benefit from additional options for cull sow dispersal as Canada expands cull sow processing capacity. FAS/Canada forecasts a one percent growth in slaughter for 2025 on an estimated six percent decline in 2024 on larger slaughter numbers in Western Canada.

Figure 13- Canadian Monthly Federal Market Hog Slaughter



Source: Agriculture and Agri-Food Canada

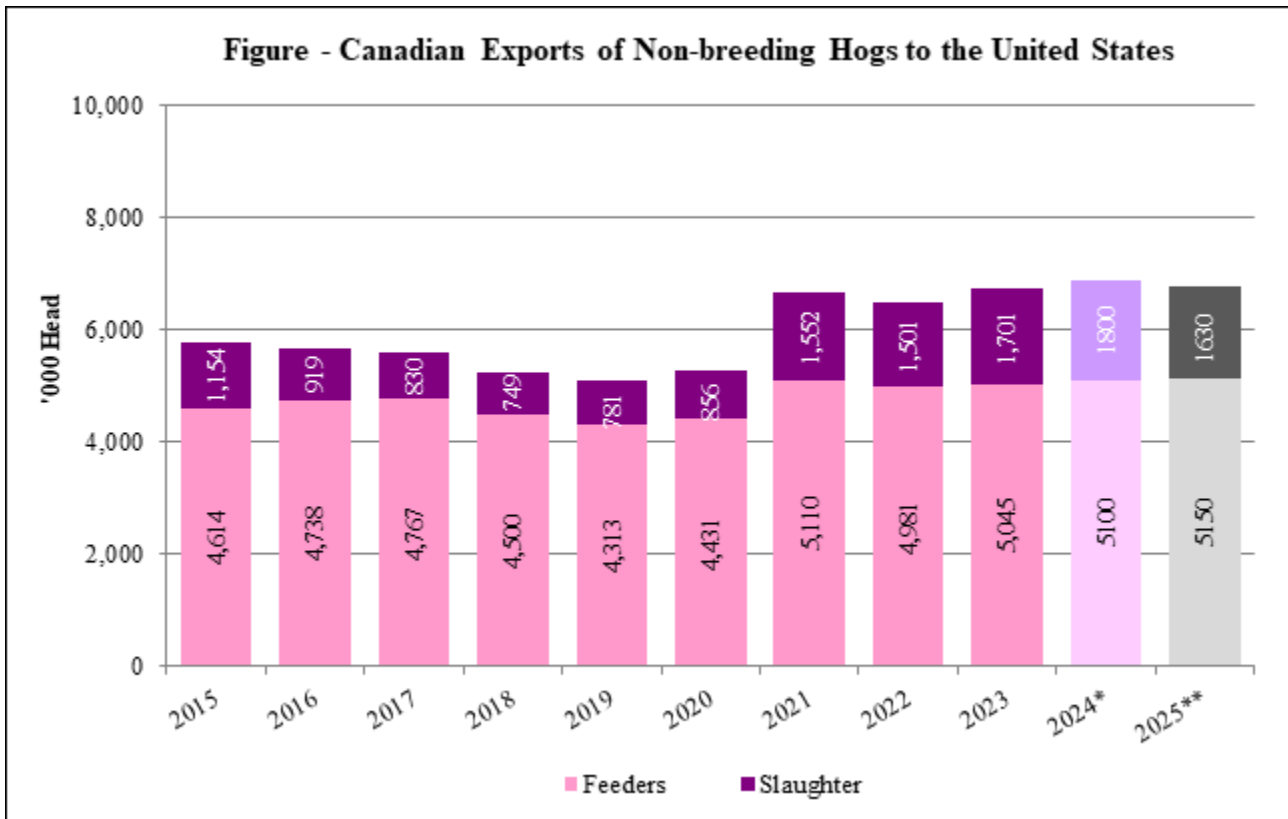
Trade: Market Hog Exports Decline

Between COVID-19 related processing disruptions, labor and mechanical issues in processing plants, and closure of processing lines, Canada has markedly increased exports of market hogs to the United States in recent years. There appears to have been some delay in Canadian producers responding to these reductions in processing demand in Eastern Canada and market hogs exports have been finding hook space in the United States. However, based on reductions in breeding stock in 2024 and anticipated stability into 2025, along with an expectation of improved slaughter capacity utilization in Western Canada, FAS/Canada is forecasting that market hog exports to the United States will decline in 2025. Overall, FAS/Canada is forecasting a two percent reduction in live hog exports to the United States in 2025 following an estimated three percent growth in 2025.

FAS/Canada is forecasting a slight increase to weanling/feeder hog exports to the United States for 2025 on the slight bump in pig crop numbers. The longstanding relationships between Canadian producers and U.S. finishing operations will continue to be supportive of this trade. However, industry in Canada

continues to be concerned about the upcoming implementation of the new rule on “Product of USA” voluntary labeling which will be fully in effect in 2026. Depending on utilization of that label, this could lead to lower numbers of live hog exports from Canada to the United States, or alternatively, Canadian animals could end up moving at a discount depending on demand.

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	2023		2024		2025	
	USDA Official Data	NEW FAS/Ottawa Data	USDA Official Data	NEW FAS/Ottawa Estimates	USDA Official Data	NEW FAS/Ottawa Estimates
Slaughter (Reference)	21,947	21,924	21,250	21,200	0	21,350
Beginning Stocks	79	79	78	78	0	60
Production	2,106	2,106	2,050	2,080	0	2,110
Total Imports	261	261	250	250	0	240
Total Supply	2,446	2,446	2,378	2,408	0	2,410
Total Exports	1,326	1,327	1,400	1,440	0	1,450
Total Dom. Consumption	1,042	1,041	920	908	0	910
Ending Stocks	78	78	58	60	0	50
Total Distribution	2,446	2,446	2,378	2,408	0	2,410

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: Heavier Carcass Weights

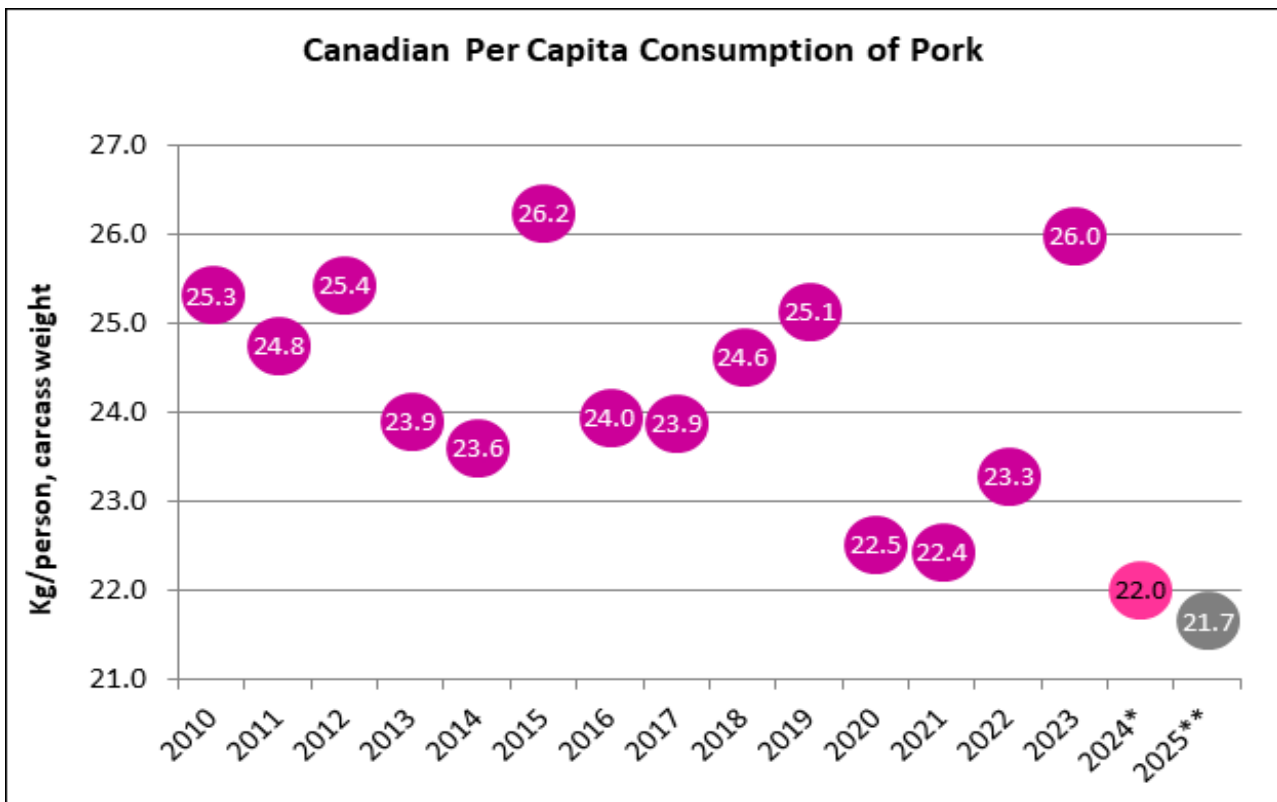
FAS/Canada forecasts a one percent growth in pork production for 2025 on slightly higher slaughter numbers and heavier carcass weights. Carcass weights have trended higher in recent years, although processing backlogs and disruptions have been a factor in some prior years, good feed outlooks and production efficiency should support weights to maintain on this trend in 2025.

Pork Consumption: Domestic Consumption Wanes Again

Canada focused on export markets during the pandemic years, negatively impacting domestic consumption with Canadian consumers shifting away from pork. Rising beef prices and competitive pork prices along with domestic availability shifted consumer perceptions and saw demand re-engaged in 2023. While there was optimism that this trend would continue, indications in 2024 are that consumers are stepping away from pork again despite the relative bargain against other proteins. Strong export performance has seen domestic supply shift to export and while growth in imports occurred to backfill for domestic demand, the tapering in domestic demand is likely to see import demand drop off.

FAS/Canada forecasts 2025 domestic consumption to be stable on 2024, following a decline in consumption from 2023 to 2024.

Figure 15- Canadian per Capita Consumption of Pork



Source: Statistics Canada

Pork Trade:

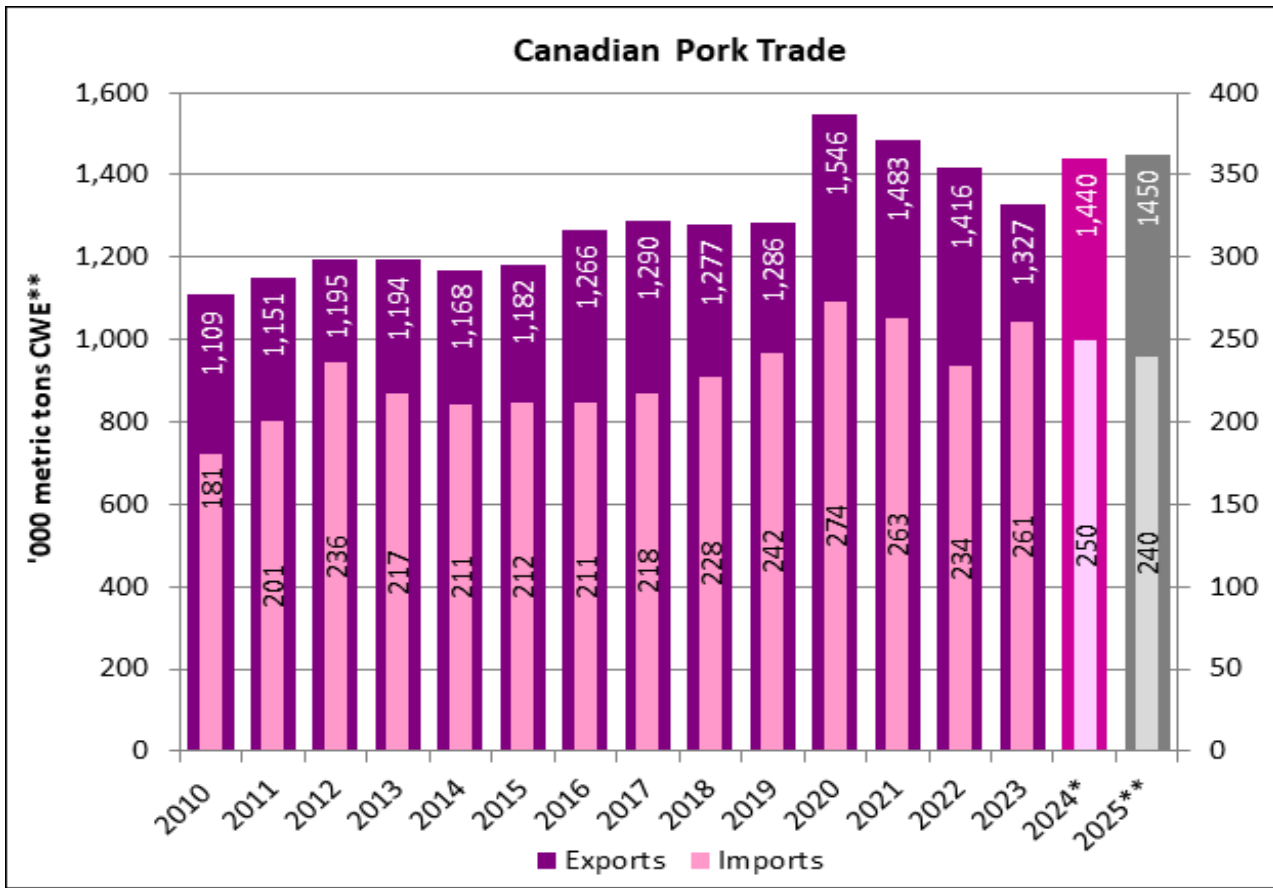
Decreased Canadian consumption and increased export demand are anticipated to see imports decline and export volumes increase in 2024. FAS/Canada is forecasting that this trend will be maintained for 2025. Asian currencies strengthening has supported increased export volumes into those regions. The Government 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. There is expectation for the Canadian dollar to weaken against several Asian currencies and the U.S. dollar in 2025 which could facilitate more pork volume movement into those markets.

The European Union and pork export performance under the Comprehensive and Progressive Trade Agreement (CETA) continues to be an irritant for the Canadian pork industry. Continued detections of ASF in Europe and potential implications to commercial production could see Canadian exports to the EU continue to rise year-over-year in 2025.

The United States will continue to remain the dominant export market for Canadian pork exports given geographic proximity and established supply chains.

Geopolitical tensions could create significant shifts in pork trade for 2025.

Figure 16- Canadian Pork Trade



Source: Trade Data Monitor, FAS/Ottawa

Note: *estimate **forecast

FAS/Ottawa forecasts Canadian pork imports to decline four percent in 2025. A stagnant consumer demand will be the main driver. The United States will remain the top supplier to Canada given proximity. Brazil is likely to continue to expand its exports to Canada into 2025 as well.

Table 7- Canadian Pork Exports

Canada Pork Imports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2024/2023	
	2022	2023	2024	2022	2023	2024	Volume	Percent
World	114,363	126,971	116,387	100.00	100.00	100.00	-10,584	-8.34
EU	28,284	20,454	13,829	24.73	16.11	11.88	-6,625	-32.39
CPTPP	3,303	1,807	623	2.89	1.42	0.54	-1,184	-65.52
United States	81,635	102,512	94,591	71.38	80.74	81.27	-7,921	-7.73
Germany	12,415	7,424	5,391	10.86	5.85	4.63	-2,033	-27.38
Denmark	5,459	6,608	3,848	4.77	5.20	3.31	-2,760	-41.77
Brazil	0	1,235	6,466	0.00	0.97	5.56	5,231	423.56
All other countries	14,854	9,192	6,091	12.99	7.24	5.23	-3,101	-33.74

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

Table 8- Canadian pork imports.

Canada Pork Exports								
January to June (metric tons, CWE*)								
Partner	Quantity			Market Share (%)			Change 2024/2023	
	2022	2023	2024	2022	2023	2024	Volume	Percent
World	747,209	678,590	737,501	100.00	100.00	100.00	58,911	8.68
CPTPP	225,764	190,487	275,429	30.21	28.07	37.35	84,942	44.59
EU	193	1,406	1,439	0.03	0.21	0.20	33	2.35
United States	246,175	206,940	201,356	32.95	30.50	27.30	-5,584	-2.70
China	81,549	112,784	68,265	10.91	16.62	9.26	-44,519	-39.47
Japan	135,301	105,750	170,123	18.11	15.58	23.07	64,373	60.87
Mexico	83,579	76,148	85,632	11.19	11.22	11.61	9,484	12.45
South Korea	33,482	31,799	53,567	4.48	4.69	7.26	21,768	68.45
Philippines	102,029	63,755	61,553	13.65	9.40	8.35	-2,202	-3.45
Vietnam	5,402	2,457	8,527	0.72	0.36	1.16	6,070	247.05
All other countries	305,867	285,897	289,834	40.93	42.13	39.30	3,937	1.38

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

Policy:

Cattle/Beef Pricing

Two lawsuits have been filed against Canadian beef processors in 2022 alleging price fixing; one in British Columbia and one in Quebec. The B.C. case has been deferred to a certification hearing to be scheduled in 2025. The Quebec class action is in the authorization stage as of June 2024.

China

Following detection of an atypical BSE case in Western Canada in December 2021, China suspended imports of Canadian beef. While discussions to reinstate imports remain ongoing, access for Canadian beef to China has not resumed as of the writing of this report. In addition, two federal beef plants remain voluntarily suspended for export to China as a result of COVID-19. The temporary suspensions of certain federal pork processors for export to China due to COVID-19 cases were removed in 2023.

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. Canada has begun the tender process to secure a supplier of vaccine products for the FMD vaccine 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](#).

Paraguay

The Canadian Food Inspection Agency (CFIA) amended import conditions to enable the import of deboned, pH matured fresh beef and raw bovine-derived meat products from Paraguay as of April 2024. Only trims, bench trims, primal and sub-primal cuts from pH matured skeletal muscle are permitted. Veal meat is not permitted.

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](#).

Proposition 12/State-level Legislation

Canadian producers must adhere to federal and provincial animal welfare regulations. For Canadian producers selling to federal processors, they must be enrolled in the Canada Pork Excellence program which audits farms on animal care amongst other aspects. The animal care module is aligned with Canada's [Code of Practice for the Care and Handling of Pigs](#). The Code is developed through the collaboration of academia, industry, government, and other stakeholders. It outlines required and recommended practices for producers to follow. However, the current Code is not as prescriptive in minimum space allocation as some U.S. state-level initiatives.

Industry in Canada has expressed concern about a patchwork of legislation across the United States as states adopt their own animal welfare legislation. They would like to see coherence at a national level in order to enable trade flows, ensure supply chain integrity, and also achieve the goal of ensuring policy improves animal welfare in a measurable and scientifically supported manner.

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.

Attachments:

No Attachments