

**STANDING COMMITTEE ON
AGRICULTURE AND AGRI-FOOD**



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

**COMITÉ PERMANENT DE
L'AGRICULTURE ET DE
L'AGROALIMENTAIRE**

BY EMAIL

Ottawa, Wednesday, June 7, 2023

The Honourable Marie-Claude Bibeau, P.C., M.P.
Minister of Agriculture and Agri-Food

Dear Minister:

On May 8, 2023, the Standing Committee on Agriculture and Agri-Food held a meeting on the closure of the Olymel processing plant in Vallée-Jonction that was announced on April 14. At that meeting, the Committee heard the company's arguments and the concerns of pork producers' groups. In addition, federal officials appeared to explain the measures the government has taken to meet the needs of farmers and businesses in the industry while respecting their business decisions. I am writing to inform you of the Committee's findings and conclusions to help farmers deal with this issue.

International trade is at the core of the problem and of the solution to the crisis in the pork industry. The representatives of Olymel and the Sollio Cooperative Group, Olymel's parent company, explained that the decision to close the Vallée-Jonction plant was partly driven by export market instability. A major contributor to that instability was the recent collapse in pork imports to China. However, the company believes that, by developing value-added exports to more robust markets such as Japan and South Korea, the industry can return to profitability. In addition, the Canadian Pork Council said it is important to try to increase market access in the Indo-Pacific region, the industry's most promising market. Accordingly, the Committee encourages you, in implementing Canada's Indo-Pacific Strategy, to strive to open up new markets for Canadian pork producers and processors, including by negotiating new trade agreements and working to eliminate tariff and non-tariff barriers to international trade.

Some witnesses reminded the Committee that Canada's meat processing sector is concentrated in the hands of a small number of businesses, which hurts farmers because they lack alternatives when a facility closes. The closure of the Olymel plant supports this fact.

René Roy, Chair of the Canadian Pork Council, called on the government to examine this issue and to foster the entry of new players. He underscored the importance of having more small abattoirs, for example. These comments echo the recommendations made in the Committee's April 2021 report, entitled [*Room to Grow: Strengthening Food Processing Capacity in Canada for Food Security and Exports*](#). This report recommended that the federal government modernize its regulations and implement programs to encourage the development of local processing businesses and regional small-scale abattoirs. In its [response](#) of June 2, 2022, the government endorsed this recommendation in principle and stated that funding was allocated under cost-shared programs with the provincial and territorial governments. The Committee asks for an update on those initiatives and ideas, along with those launched under the new Sustainable Canadian Agriculture Partnership. The Committee would also like to remind you of all the recommendations in its report, which remain relevant today.

Pork producers reported that investments in meat processing are necessary. The closure of the Vallée-Jonction plant has deprived not only farmers in Quebec, but also those in neighbouring provinces, of a buyer for their hogs. Eric Schwindt, Director of Ontario Pork, explained that Ontario's processing capacity is already inadequate and farmers in the province have to ship their animals to Manitoba or the United States for slaughter, at significant cost. In his view, investments in processing capacity are needed so that new processing plants can open in Canada and value can be added domestically. Likewise, Mr. Roy emphasized the importance of supporting research into new technologies and innovations that are crucial to keeping companies in the industry competitive. The Committee urges you to work to increase investments in meat processing capacity in Canada and provide appropriate support for research and innovation in this sector in collaboration with the private sector. The government should also request information on investments made by the private sector in research and innovation.

Business risk management programs have been described as important tools that must be improved to adequately protect pork farmers. One witness, Stéphane Forget, suggested bringing back initiatives such as the Hog Farm Transition Program and the Hog Industry Loan Loss Reserve Program, which were implemented as part of the *Growing Forward* framework agreement between 2009 and 2014. The Committee encourages you to work with your provincial and territorial partners to strengthen business risk management programs so that they help the pork industry make it through this period of uncertainty.

All of the issues described in this letter are over and above the many challenges gripping the entire agriculture sector, including input cost increases and labour shortages. In this context, I invite you to take appropriate measures to support our farmers, while considering the mental health of all stakeholders from the agriculture and agri-food sector, including farmers and the plant's workers affected by this upheaval. This could include properly supporting organizations such as Farm Credit Canada that have a preventive mental health mandate for

farmers and by supporting your provincial partners with constitutional jurisdiction over health care.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Kody Blois".

Kody Blois, M.P. for Kings–Hants

Chair, House of Commons Standing Committee on Agriculture and Agri-Food

cc: The Honourable Mary Ng, P.C., M.P., Minister of International Trade, Export Promotion, Small Business and Economic Development