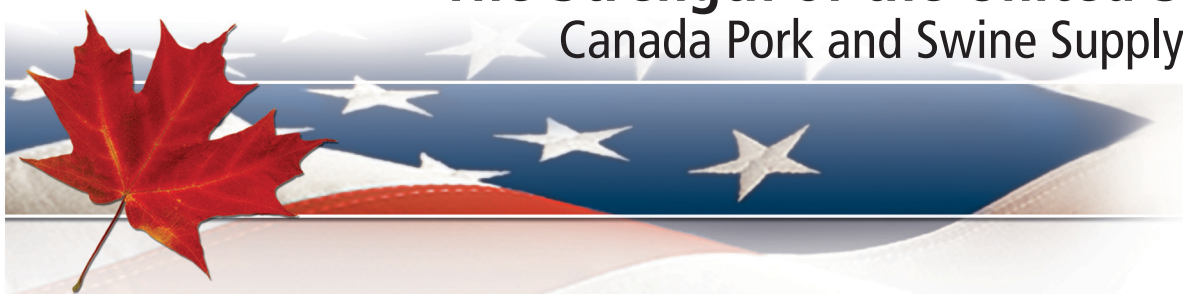




# The Strength of the United States Canada Pork and Swine Supply Chain



**Free trade between the United States and Canada has led our economies to operate more as a single market, resulting in an enormous expansion in mutually beneficial cross-border activity.**



## Substantial Trade Flows

- As each other's best customers for agriculture and agri-food products, Canada and the US enjoyed bilateral trade in pork and swine that reached \$1.9 billion in 2007.
- Pork exports from both the US and Canada have increased dramatically from a combined share of world markets of 25% in 1994 to 46% in 2007. Consequently, beyond the EU trading area, Canada and the US are the two largest pork exporters in the world.
- In 2007, Canada supplied the US with over 10 million hogs, valued at \$709.5 million. These exports to the US represented 98% of Canada's total swine exports in 2007, and 100% of US imports of swine for the same year. Likewise, of Canada's total pork imports for 2007, 95% came from the US.

- Canadian slaughter hogs are important contributors to the US slaughter industry. The import of Canadian slaughter hogs enables US packing and processing plants to operate at full capacity. This increases plant efficiency through lower slaughter costs and helps secure jobs for the industry on both sides of the border.
- The import of Canadian hogs allows the US to maintain its international competitiveness. It is estimated that two-thirds of American pork exports to other countries are supported by Canadian hogs slaughtered in the US. In 2007, the US exported \$3.4 billion (or 3.1 billion lbs) of pork.

## The Advantages of Regional Cooperation

- Both the US and Canada rely on the other for inputs in the production process. For example, the US sells considerable volumes of corn and other feedstuffs, whereas American operators demand Canadian weaner and feeder pigs for their high quality, reliability, and consistent health status. Canada also supplies the US with breeding stock.
- Canada's cooler climate and lower herd density significantly reduces the development and spread of swine diseases. Canada's cooler weather also improves lactation quality and quantity in sows, thus enhancing litter health and enabling Canadian producers to supply the US with cost-competitive, high-quality weaner and feeder pigs.
- Canadian hog exports are an important part of both the US' domestic and export markets. In 2007, two-thirds of Canadian hog exports to the US were made up of weaner and feeder pigs. These exports help meet the strong demand from finishers in Iowa, Minnesota and South Dakota and supplement the production of young hogs coming from other areas of the US. In the last decade, trade in weaner and feeder pigs increased from \$32 million in 1996 to \$288 million in 2007.

## Our Comparative Strengths are Complementary

- The strength of each country's industry is complementary. Canada offers an advantage in breeding pigs, while the US industry has an advantage in finishing pigs.
- The comparative business advantages our trade relationship enables both countries to remain competitive internationally. This relationship serves both countries well.

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All figures are in US dollars. Canadian export figures to the US do not include re-export values

Data source: Statistics Canada, May 2008

Additional source: USDA



Canada