



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

STRUCTURAL CHALLENGES IN CANADA'S BEEF AND PORK SUPPLY CHAINS: TOWARD GREATER FOOD SOVEREIGNTY

**Report of the Standing Committee on Agriculture and
Agri-Food**

Michael Coteau, Chair

**APRIL 2026
45th PARLIAMENT, 1st SESSION**

Published under the authority of the Speaker of the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website
at the following address: www.ourcommons.ca

**STRUCTURAL CHALLENGES IN CANADA'S BEEF
AND PORK SUPPLY CHAINS: TOWARD GREATER
FOOD SOVEREIGNTY**

**Report of the Standing Committee on
Agriculture and Agri-Food**

**Michael Coteau
Chair**

APRIL 2026

45th PARLIAMENT, 1st SESSION

NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

STANDING COMMITTEE ON AGRICULTURE AND AGRI-FOOD

CHAIR

Michael Coteau

VICE-CHAIRS

John Barlow

Sébastien Lemire

MEMBERS

Richard Bragdon

Sophie Chatel

Paul Connors

Marianne Dandurand

Dave Epp

Jacques Gourde

Emma Harrison

OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED

David Bexte

Steven Bonk

Blaine Calkins

Braedon Clark

Claude DeBellefeuille

Ted Falk

Cheryl Gallant

Kent MacDonald

Gaétan Malette

Yves Perron

Hon. Andrew Scheer

Gabriel Ste-Marie

William Stevenson

CLERK OF THE COMMITTEE

Wassim Bouanani

LIBRARY OF PARLIAMENT

Research and Education

Daniel Farrelly, Analyst

Sarah Houle, Analyst

THE STANDING COMMITTEE ON AGRICULTURE AND AGRI-FOOD

has the honour to present its

THIRD REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the reference prices in the beef and pork supply chains and has agreed to report the following:

TABLE OF CONTENTS

LIST OF RECOMMENDATIONS	1
STRUCTURAL CHALLENGES IN CANADA’S BEEF AND PORK SUPPLY CHAINS: TOWARD GREATER FOOD SOVEREIGNTY	3
Introduction	3
An Overview of the Beef and Pork sectors	3
Beef Sector	4
Pork Sector	6
Mandatory Livestock Market Reporting	8
Slaughter Capacity and Other Issues	10
Local Slaughter Capacity	10
Risk Management	12
Labour Shortages	12
Specified Risk Material	13
APPENDIX A: LIST OF WITNESSES	15
APPENDIX B: LIST OF BRIEFS	17
REQUEST FOR GOVERNMENT RESPONSE	19

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

The Committee recommends that the Government of Canada implement a mandatory price reporting system, especially for beef and pork, similar to the Livestock Mandatory Reporting program administered by the United States Department of Agriculture’s Agricultural Marketing Service. 9

Recommendation 2

The Committee recommends that the Government of Canada implement a transparent method of identifying Canadian and previously frozen foreign meat in Canadian supply, without jeopardizing Canada’s trade obligations. 11

Recommendation 3

The Committee recommends the Government of Canada work with provinces and territories to develop a protocol to allow provincial meat processing plants to sell products interprovincially. At the same time, it should ensure that products from these facilities are not sold internationally unless they meet federally regulated standards and the commitments outlined in Canada’s international trade agreements. 11

Recommendation 4

The Committee recommends that the Government of Canada support provincially inspected meat processing plants, including small abattoirs, in meeting federal standards but adapted to the scale of their operations, with significantly reduced administrative burden and cost (including the cost of maintaining such a standard). At the same time, it should ensure that products from these facilities are not sold internationally unless they meet such federal standards and the commitments outlined in Canada’s international trade agreements. 11

Recommendation 5

The Committee recommends that the Government of Canada strengthen its support for the sustainability of local and regional food systems, notably by promoting the development of slaughter capacity at the regional level and by implementing support measures for small slaughterhouses under Canadian ownership. 12

Recommendation 6

The Committee recommends that the Government of Canada implement policy changes and introduce regulatory amendments to Canada’s Enhanced Feed Ban to harmonize Specified Risk Material (SRM) regulations with its main trading partners while maintaining high safety and health standards. 14

Recommendation 7

The Committee recommends the Government of Canada, in partnership with Quebec, the provinces and territories, develop a regionalized approach to reportable diseases, including by increasing zoning arrangements, to prevent the closure of exports from across Canada when cases become widespread in a single region. Regional zones must comply with Canada’s international trade agreements and zoning arrangement commitments. 14



STRUCTURAL CHALLENGES IN CANADA'S BEEF AND PORK SUPPLY CHAINS: TOWARD GREATER FOOD SOVEREIGNTY

INTRODUCTION

The beef and pork sectors are an important part of Canada's agricultural economy, with producers of hogs, cattle and calves yielding over \$23 billion in farm cash receipts in 2024.¹ In addition to their economic benefits, these sectors' domestic supply chains contribute to the country's food security by ensuring a stable supply of protein. In recent years, however, livestock producers in these sectors have expressed concern over the trends of growing consolidation and ownership concentration in the meat processing sector, which some argue suppress farmgate prices. Of particular concern is what some describe as a lack of information about how Canadian livestock prices are determined and transferred throughout the supply chain and the Canadian meat sector's reliance on pricing data from the United States (U.S.) given the lack of a Canada-specific benchmark for livestock prices, even when market conditions in the two countries differ.

On 27 January and 3 February 2026, the House of Commons Standing Committee on Agriculture and Agri-Food (the Committee) held meetings to hear from 14 witnesses representing the Canadian beef, pork, and wider meat sectors to better understand this industry and the challenges it faces and to propose solutions to the federal government to address them.

AN OVERVIEW OF THE BEEF AND PORK SECTORS

While the beef and pork sectors operate along seemingly similar lines, there are important differences in their regional presence, producer marketing methods, and processing sectors that affect how their respective commodity prices are determined at the farm gate and transferred throughout their respective supply chains.

1 Statistics Canada, [Table 32-10-0046-01 Farm cash receipts, quarterly \(x 1,000\)](#), Database, accessed 12 February 2026.



Beef Sector

In 2024, the Canadian cattle herd consisted of 11.91 million cattle and calves located on 71,280 farms and ranches, a plurality of which are in Alberta (43%).² Beef producers traditionally sold a majority of their livestock on a cash basis at auction³ to feedlots, slaughterhouses and other buyers, which allowed cattle buyers and sellers to monitor daily and weekly [auction market data](#) as indicators for the market price of their cattle. As [Agriculture and Agri-Food Canada](#) (AAFC) explains, however, over the past decade the North American cattle sector has seen “an abrupt drop” in cash sale volumes, with producers selling more cattle through pre-arranged marketing contracts, such as forward contracted cattle and formula-based pricing⁴. AAFC further explains that the paucity of price data has important implications for producers, who previously used auction data to obtain a stronger bargaining position when negotiating prices with buyers, and industry and government, who used this data to develop policy and to design support programs such as insurance and farm income and disaster support programs.

Among the buyers of cattle are Canada’s slaughterhouses. The [Safe Food for Canadians Act](#) and its regulations require slaughterhouses to be licensed and inspected by either provincial or federal food safety authorities. Provincially licensed and inspected facilities may produce food for sale within that province only; their federally licensed and inspected counterparts may, however, prepare food for sale across provincial boundaries and for export. While [AAFC](#) reports that there are 18 federally inspected cattle slaughter facilities throughout the country, [Statistics Canada](#) notes that the sector is highly concentrated, with two multinational firms (Cargill and JBS) operating three of these facilities (Cargill plants in High River, Alberta and Guelph, Ontario and a JBS plant in Brooks, Alberta) responsible for over 85% of Canada’s beef processing capacity. As discussed later in this report, this high rate of concentration has important implications for public data collection as these two large firms may not wish to volunteer pricing data out of fear of revealing confidential marketing arrangements.

In 2019, the Canadian Pork Council commissioned a [report](#) on the possibility of establishing a “made-in-Canada” price for live hogs that examined pricing mechanisms in the Canadian beef and pork sectors. The report explains that most cattle sales are

2 Agriculture and Agri-Food Canada [AAFC], [Cattle / Beef and Veal](#).

3 See “Marketing Methods” in Beef Cattle Research Council [BCRC], [Adoption Rates of Recommended Practices by Cow-Calf Operators in Canada](#), 2019, page 72.

4 A forward contract is an agreement between two parties to buy and sell a specified asset at a specified price at a certain future date. Formula pricing uses another price, such as the USDA boxed beef cutout value or the futures market price, as a reference.

measured on a “basis” or variation, either positive or negative, between a reference price (typically the cattle reference price reported by the [United States Department of Agriculture](#) (USDA) or in the case of future-contracted cattle, the Chicago Mercantile Exchange (CME) [live cattle futures](#), which are based in part on USDA data) and a sale price that takes into account Canadian conditions, including the exchange rate between the U.S. and Canadian dollars, local market conditions, freight costs, and cattle grade and other premiums. The report argues that the beef sector can be considered to have a “Canadian price”, in contrast to pork, whose Canadian sale price generally correlates to a percentage of the reported U.S. cash price.

The Canadian beef sector exports nearly 50% of its production with 75% of its exports, including the vast majority of its live cattle, destined for the United States. As [Dennis Laycraft](#) of the Canadian Cattle Association (CCA) explained to the Committee, the high degree of integration in the North American cattle sector makes the USDA price a useful benchmark for Canadian producers, while also presenting shared continental challenges:

[T]he beef sector is facing a shortage of cattle across North America. The Canadian and American beef cattle sector is highly integrated. Our prices in Canada track closely with those in the United States. Low herd numbers, restrictions on the ability to import feeder cattle from Mexico and the United States and weather-related conditions have exacerbated this. In addition, increased input costs through the system are up by about 30% from 2020 to 2024 and place upward pressure on prices. Producers are ready to do their part, and we have a number of ideas to support herd expansion and strengthen the sector, provided government policy creates the right conditions.

In the wake of the Bovine Spongiform Encephalopathy (BSE or “Mad Cow Disease”) crisis in 2003, the CCA started publishing a boxed beef⁵ [report](#) through its Canfax information service to help Canadian cattle producers better understand the value of their cattle, which had diverged significantly from that of their counterparts in the United States, where BSE was not an issue. The CCA ceased publishing this report in March 2020 at the beginning of the COVID-19 pandemic, as some processors chose to no longer participate in the voluntary venture. As [Brenna Grant](#), the Executive Director of the CCA’s Canfax, told the Committee, packer confidentiality was a key concern:

It was really critical at that time when we had a different market, because we had different market access than the U.S., in terms of understanding where to prioritize marketing initiatives to utilize all of our undervalued cuts. That's something that really directed Canada Beef's marketing efforts throughout that time period. We have tried a

5 The [USDA](#) defines boxed beef as the estimated gross value of a beef carcass based on prices paid for its individual components.



number of ways to bring it back. The greatest concern from the packers has been confidentiality, given the limited number of players in the market.

Pork Sector

The Canadian swine herd consists of 13.99 million hogs located on 6,980 farms, the majority of which are in Manitoba (24%), Ontario (26%), and Québec (30%).⁶ As in the Canadian beef sector, the role of cash sales in the sector has diminished considerably in recent years. The Canadian Pork Council reports that, in 2019, fewer than 2% of live hog sales in Canada were made on a cash basis, with most sales being based on formulas determined by the CME Live Hog Index or Pork Cutout Index values or through vertically integrated arrangements where the pork processor owns the hogs it slaughters.⁷

The U.S. has long been a price setter for Canadian pork producers because of the large quantity of live hogs and meat it imports. [AAFC](#) reports that, in 2024, Canada exported nearly 70% of its live hog and pork production. While Canadian live hogs are exported almost exclusively to the United States, markets for Canadian fresh and frozen pork products have become somewhat more varied in recent years. According to Statistics Canada data compiled by [AAFC](#), the United States accounted for approximately 32% of Canada's exports in this category in 2025, with Japan a close second at 31%.

The *Éleveurs de porcs du Québec*, the single desk commodity board for live hogs in Québec, negotiates a collective marketing agreement on behalf of Québec pork producers with Québec pork processors, using a formula based on the reported USDA price. [Gilbert Lavoie](#), an agricultural economist, highlighted the importance of the USDA reference price in Canadian live hog transactions, particularly in Québec:

[A]ll contracts—not to mention the vast majority of transactions now—between producers and slaughterhouses are based on a pricing formula that uses either the price of hogs or the price of the reconstituted carcass. Incidentally, in Quebec, all hogs are sold according to a price formula that uses the reconstituted carcass price established in the United States, currently at a percentage of 88%.

While Ontario Pork previously operated under a similar model, it no longer negotiates a single price for Ontario pork producers but does require [mandatory reporting](#) of live hog sale prices. It also publishes [reference prices](#) based on USDA price data that take into

6 [AAFC, *Hogs / Pork*](#).

7 [Groupe AGECO and GIRA, *"Made-in-Canada" Hog Price*](#), November 2019, page 51.

account local factors such as the currency exchange rate, metric weight conversion, and premiums and discounts offered.

Canada's pork processing sector is more diversified than its beef counterpart. According to data from [AAFC](#), there are 22 federally-inspected pork processing plants in Canada. Although market share data is not available, a study commissioned by the Government of Québec reports that Olymel dominates pork production in the province, accounting for nearly 70% of its total slaughter capacity.⁸ Outside of Québec, the industry is led by major processors such as Maple Leaf Foods – whose pork operations were recently spun off to [Canada Packers](#), now an independent company – and HyLife Foods, which operates a facility in Manitoba.

[Louis-Philippe Roy](#) of the Éleveurs de porcs du Québec explained how the Canadian pork sector's reliance on a U.S. benchmark has sometimes led to a poorer rate of return for Québec producers as it does not always reflect the realities of their marketplace:

American pork prices had a sharp decrease between 2015 and 2019 because of a production surplus in the United States. Quebec producers were subjected to that price drop, even though our production was lower than the needs of the province's slaughterhouses. More recently, between May 2021 and 2022, the situation was reversed. A number of Quebec slaughterhouses had to reduce their capacity, mainly because of temporary closures, logistical problems or COVID-19. This limited their orders and drove down the average price of exported meat. Meanwhile, the American reference price that informs the price of pork in Quebec was increasing, which automatically increased the price of live hogs. In other words, even though the American prices were rising, our slaughterhouses had to sell their meat at much lower and thus pitiful prices. That meant that the production link was losing money.

[René Roy](#) of the Canadian Pork Council similarly noted possible future risks associated with the sector's exclusive reliance on a US benchmark price:

Too often, the price paid to Canadian producers decouples and is not aligned from the reference market, without any clear way for producers to identify the structural cause. This will be incredibly important, should Canada or the United States suffer a catastrophic foreign animal disease challenge, such as [African Swine Fever]. Setting up price transparency in advance will protect Canadian producers by setting up a Canadian price system before it is absolutely required.

[René Roy](#) also explained how a Canadian reference price could help buyers and sellers better understand their own supply chains, particularly their export potential:

8 Raymond Chabot Grant Thornton, [Étude prospective de la filière porcine au Québec](#), page 18.



We are often told that Canada is globally competitive, but without verified data, we are essentially navigating by guesswork. Canadian pork is world-renowned for its quality, traceability and high animal welfare standards. A transparency system would reveal how this added value actually translates into dollars at the primary transaction level.

As explained in the following section, one way to provide greater transparency and address the asymmetry in bargaining for livestock buyers and sellers is for Canada to develop its own livestock reference price, based on the United States' legislated mandatory model, which requires U.S. meatpackers to provide the USDA's Agricultural Marketing Service with livestock and meat price data.

MANDATORY LIVESTOCK MARKET REPORTING

In 1999, the U.S. Congress passed the [*Livestock Mandatory Reporting Act of 1999*](#). The Congressional Research Service explains that Congress intended this legislation to address concerns raised by U.S. livestock producers that their selling market had become more concentrated and less reliant on cash sales, diminishing their ability to understand how livestock prices were determined.⁹ Meatpacker reporting was initially voluntary but became mandatory following legislative amendments Congress made in 2001. Today, the USDA publishes daily, weekly, and monthly price reports detailing regional and national prices for [cattle](#), [swine](#), and other commodities.

To address industry concerns about confidential information, the USDA developed what it calls a [3/7/20](#) guideline regarding data collection from reporting entities (firms owning one or more slaughterhouses):

- at least **3 reporting entities** need to provide at least 50 percent of the time over the most recent 6 day period;
- no single reporting entity may provide more than **70 percent of the data** for a report over the most recent 60 day time period; and
- no single reporting entity may be the sole reporting entity for an individual report more than **20 percent of the time** over most recent 60 day time period.

[Ms. Grant](#) noted that Canada's more concentrated meat processing market may present challenges for data anonymization. [She](#) nonetheless offered a possible way for Canada to

9 United States, Christine Whitt, [Livestock Mandatory Reporting Act: Overview for Reauthorization in the 116th Congress](#), Report, Congressional Research Service, 19 June 2019.

operate a similar mandatory reporting system while respecting participants' privacy based on reporting standards for primal cuts (large sections of beef requiring further cutting and processing) and subprimal cuts (smaller cuts that have been refined by removing fat or bones):

[W]hile it's not the ideal solution, it would be to only publish the primal and the cutout values and not the subprimal price, which is considered sensitive for some packers. However, it would at least give industry an idea of where to prioritize marketing efforts to get the greatest value for industry.

[Calvin Vaags](#), the President and Chief Executive Officer of True North Foods, a federally inspected beef processing plant in Winnipeg, Manitoba, explained the importance of maintaining a US benchmark price alongside any Canadian reference price:

[Canadian beef] pricing does start in the U.S., and there's a reason for that. We work in a global market. Canada produces more beef and more animals than we consume ourselves. The U.S. is our closest market, and it becomes a relief valve. We have free and open trade with the U.S., and it's very important that we keep that trade going. If you remember BSE, in 2003, that border was closed for a period of time, and it was devastating to our beef prices and our beef industry within Canada[...]The key point, though, is that U.S. reference pricing should not be considered the enemy, but it is incomplete when we apply it to Canada without adjustments.

In his testimony, [René Roy](#), chair of the Canadian Pork Council, emphasized the importance of price transparency to understand the profit margins of the various actors in the value chain in order to be able to act on the factors that influence food price inflation:

Price transparency also leads to transparency for consumers and Canadians. Currently, the processing sector is a black box. We have a good understanding of production, production costs and revenues. We're able to determine certain retail parameters, but the processing sector is a black box.

Our goal is to gain a better understanding of this sector, this link in our supply chain, so that we can also better understand our strengths in the context of a global market. This also has the advantage of allowing consumers to benefit from this transparency and have assurance that there are no undue margins being absorbed by a single sector.

Recommendation 1

The Committee recommends that the Government of Canada implement a mandatory price reporting system, especially for beef and pork, similar to the Livestock Mandatory Reporting program administered by the United States Department of Agriculture's Agricultural Marketing Service.



SLAUGHTER CAPACITY AND OTHER ISSUES

Local Slaughter Capacity

While, as previously mentioned, the beef processing sector is dominated at the national level by two large firms operating three slaughterhouses, there are several firms offering federally inspected slaughter facilities on a local scale to livestock producers. By offering an alternative to the larger multinationals, these meat processors can, they argue, shorten travel times for livestock and offer lower freight costs for producers, while also contributing to local food security and rural economies.

Large facilities offer important economies of scale for production, but they can also make the supply chain vulnerable to shocks. During the COVID-19 pandemic, for example, a coronavirus outbreak at Cargill's facility in High River, Alberta caused it to shut down while a similar incident at the JBS facility in Brooks, Alberta led it to reduce its operations to a single shift.¹⁰ Both of these sudden changes in production levels had important consequences for beef producers who were unable to bring their cattle to market as planned, creating a backlog of cattle bound for slaughter and increasing costs for producers whose cattle remained on feedlots for longer than anticipated.¹¹

Indira Moudi, the Chief Executive Officer of Viandes LaFrance, a federally inspected meat processing plant in Shawinigan, Québec, spoke of the challenges her facility faces:

Today, what weakens small and medium-sized enterprises...like ours is not a one-off shock, but a structural imbalance in the Canadian beef system, which has led, between 2019 and today, to a decline of more than 35% in the number of cattle slaughtered at our facility.

In a written brief, Ms. Moudi expanded on this imbalance, claiming that U.S. livestock shortages and a stronger U.S. dollar have made it increasingly profitable for Canadian producers to send their animals to processing facilities in the United States and more difficult for smaller facilities like hers to compete nationally. She expressed concern that, if these trends continue, regional slaughter facilities may close, leaving agricultural regions without important infrastructure for their operations and making the Canadian marketplace even less competitive.

10 Sarah Reiger, "[OHS investigating Canada's largest COVID-19 outbreak at meat plant after worker's death](#)," *CBC News*, 22 April 2020.

11 Statistics Canada, "[COVID-19 and the Beef Supply Chain: An Overview](#)," *The Daily*, 17 November 2020.

Also in a [written brief](#), Mr. Vaags underlined what he called the “significant strain” experienced by small and medium-sized processors who, in his view, face the same cost pressures as larger slaughterhouses - including labour, energy, regulatory compliance, food safety regulations, and capital investment - but do not enjoy the same economies of scale or leverage, making it more difficult for them to operate profitably.

[Mr. Vaags](#) and [Ms. Moudi](#) both noted the unfortunate decline in local meat processing capacity given the Canadian public’s recent resurgent interest in eating locally produced foods. Among other things, Mr. Vaags encouraged the federal government to explore adopting a transparent method of identifying foreign and previously frozen beef within the Canadian food supply to allow consumers and processors to make more informed decisions. He highlighted that such a measure would also help smaller domestic beef processors to remain competitive in a highly consolidated retail environment.

Recommendation 2

The Committee recommends that the Government of Canada implement a transparent method of identifying Canadian and previously frozen foreign meat in Canadian supply, without jeopardizing Canada’s trade obligations.

Recommendation 3

The Committee recommends the Government of Canada work with provinces and territories to develop a protocol to allow provincial meat processing plants to sell products interprovincially. At the same time, it should ensure that products from these facilities are not sold internationally unless they meet federally regulated standards and the commitments outlined in Canada’s international trade agreements.

Recommendation 4

The Committee recommends that the Government of Canada support provincially inspected meat processing plants, including small abattoirs, in meeting federal standards but adapted to the scale of their operations, with significantly reduced administrative burden and cost (including the cost of maintaining such a standard). At the same time, it should ensure that products from these facilities are not sold internationally unless they meet such federal standards and the commitments outlined in Canada’s international trade agreements.



Risk Management

To address these challenges, [Ms. Moudi](#) and [Mr. Vaags](#) called for the federal government to adopt a margin-based support program to help meatpackers, particularly small and medium-sized ones, better manage revenue fluctuations. This program, designed along the same lines as the federal-provincial-territorial [AgriStability](#) cost-shared business risk management program for agricultural producers, would provide temporary, targeted support to small and medium-sized meat processors during periods where their profit margins fall below a certain threshold.

Recommendation 5

The Committee recommends that the Government of Canada strengthen its support for the sustainability of local and regional food systems, notably by promoting the development of slaughter capacity at the regional level and by implementing support measures for small slaughterhouses under Canadian ownership.

Labour Shortages

[Kyle Larkin](#) of the Canadian Meat Council cited “persistent labour shortages” throughout the Canadian meat sector as one of its most important challenges. [Thomas Beretta](#), the general manager of Beretta Farms, a cattle producer and federally inspected meatpacker in Lacombe, Alberta, highlighted the difficulty of hiring domestic employees to fill vacancies:

With our facility being in a rural town in central Alberta, access to skilled labour in the meat processing industry is extremely limited. We rely on temporary foreign labour to fill in critical positions that are nearly impossible to hire in the domestic labour market.

[Mr. Beretta](#) explained that the federal government’s recent decision to cancel its [Agri-Food Pilot](#) program created uncertainty for his firm and many of its employees. Prior to its cancellation in May 2025, this initiative provided a pathway to Canadian permanent residence (PR) status for eligible foreign workers with experience in one of thirty food processing professions that are in high demand, including industrial butchers. Mr. Beretta highlighted the importance of this program and foreign workers more generally to his company:

We are currently operating in an unknown period whereby our foreign staff are either being refused PR status or stuck in limbo, not being able to work, waiting for a decision. We are forced to renew temporary statuses of individuals and cannot grow our labour force as we must adhere to a 20% cap on foreign workers. Without an extension or a clear pathway to move temporary foreign workers into permanent residence status, we

risk losing skilled workers that cannot be replaced locally. This directly undermines food security and production capacity initiatives and puts small meat processors in rural areas under unnecessary pressures to operate efficiently. The current permanent residency options for temporary workers are not good enough and will continue to put a strain on our business operations if no improvements are made.

[Mr. Larkin](#) recommended that the federal government create a permanent sector-specific immigration stream to ensure a stable supply of workers for the meat industry. He also recommended that the federal government extend the validity of [Labour Market Impact Assessments](#) – a process firms seeking to employ foreign workers must complete to demonstrate their inability to hire a Canadian – from the current 6 months to two years to lessen the administrative burden on employers, particularly small producers and processors. and that it continue to support [provincial nominee programs](#) to recruit skilled foreign workers.

Specified Risk Material

Since 1997, Canada has enforced an [enhanced feed ban](#) that has prohibited most animal tissue from being used in the human food and animal feed supply chains. In 2003, the federal government amended the [Food and Drug Regulations](#) and the [Health of Animals Regulations](#) to require slaughterhouses and other facilities handling beef carcasses to remove and properly dispose of specified risk material (SRM) or certain cattle tissue that are at higher risk for containing prions that transmit BSE. The federal government took these measures to comply with Canada's BSE risk status as determined by the World Organization for Animal Health (WOAH). This status limited Canadian producers' ability to export certain beef products and by-products and placed strict surveillance controls and reporting requirements on beef producers and processors to ensure compliance with WOAH requirements for countries with controlled risk status.

Cattle tissue and other by-products that fall under the SRM definition contribute to the overall value of healthy cattle as they can be sold for industrial purposes such as animal feed, pet food, and fertilizers. The lower value that can be extracted from a Canadian cattle carcass combined with the additional costs of SRM removal and disposal during slaughter thus place Canadian cattle producers and processors at a competitive disadvantage internationally. [Mr. Laycraft](#) estimated that complying with these requirements cost Canadian beef processors as much as \$32 million a year more than their US counterparts. In her written submission, Ms. Moudi highlighted the costs of SRM disposal for small and medium-sized facilities like hers, which she claimed were up to ten times higher as those for larger industrial facilities.



In 2021, the Canadian Food Inspection Agency (CFIA) [announced](#) that the WOH had determined Canada to be at negligible risk for BSE, the lowest level of transmission risk, as it had demonstrated ongoing compliance with safety standards and had not had a BSE case in any domestic animal born in the previous 11 years. This change in status allows Canada, in cooperation with the WOH and its international trading partners, to amend its SRM requirements. [Mr. Laycraft](#) explained that the sector is working with the CFIA and other partners to do this:

The beef and cattle industry has been working closely with the Canadian Food Inspection Agency and industry partners to address this challenge, and we are encouraged by the progress on this file. Resolving the SRM file will help lower costs, encourage new processing capacity in Canada and keep more value-added activity here at home. Increasing domestic processing capacity improves competition, resilience and returns across the supply chain.

Recommendation 6

The Committee recommends that the Government of Canada implement policy changes and introduce regulatory amendments to Canada’s Enhanced Feed Ban to harmonize Specified Risk Material (SRM) regulations with its main trading partners while maintaining high safety and health standards.

Recommendation 7

The Committee recommends the Government of Canada, in partnership with Quebec, the provinces and territories, develop a regionalized approach to reportable diseases, including by increasing zoning arrangements, to prevent the closure of exports from across Canada when cases become widespread in a single region. Regional zones must comply with Canada’s international trade agreements and zoning arrangement commitments.

APPENDIX A: LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
As an individual	2026/01/27	20
Gilbert Lavoie, Agricultural Economist, Forest Lavoie Conseil		
Canadian Cattle Association	2026/01/27	20
Brenna Grant, Executive Director, CanFax Division Dennis Laycraft, Executive Vice-President		
Canadian Meat Council	2026/01/27	20
Claire Citeau, Vice-President, International Trade Kyle Larkin, President and Chief Executive Officer		
Canadian Pork Council	2026/01/27	20
Stephen Heckbert, President and Chief Executive Director René Roy, Chair		
Les Éleveurs de porcs du Québec	2026/01/27	20
Tristan Deslauriers, Public Relations Manager and Secretary-General Louis-Philippe Roy, Chair		
Beretta Farms	2026/02/03	21
Thomas Beretta, General Manager		
Canadian Food Inspection Agency	2026/02/03	21
Diane Allan, Associate Vice-President, Policy and Programs Branch		
Department of Agriculture and Agri-Food	2026/02/03	21
Donald Boucher, Director General, Sector Development and Analysis Directorate		

Organizations and Individuals	Date	Meeting
True North Foods Calvin Vaags, President and Chief Executive Officer	2026/02/03	21
Viandes Lafrance Indira Moudi, Chief Executive Officer	2026/02/03	21

APPENDIX B: LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Atlantic Beef Products Inc.

True North Foods

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 20 to 22, 27 and 28](#)) is tabled.

Respectfully submitted,

Michael Coteau
Chair

