

# Canadian Pork Producers Need Sustained Profitability

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**CANADA - A business development specialist pork with Alberta Agriculture and Rural Development suggests pork producers will need several years of sustained profitability before they'll be able to justify replacing aging infrastructure or expanding production, Bruce Cochrane writes.**

Following a prolonged stretch of losses western Canadian pork producers have finally returned to profitability.

Ron Gietz, a business development specialist pork with Alberta Agriculture and Rural Development, credits a combination of higher hog prices fueled by reduced US hog production, lower feed costs and sustained pork demand.

## ***Ron Gietz-Alberta Agriculture and Rural Development***

*It's definitely been a welcome change, that's for sure.*

*The industry, as you know, has struggled for pretty much the last five years.*

*The factors at play have been on both sides of the production equation.*

*We've seen the prices for hogs increase significantly this year and at the same time starting this summer we've seen the feed prices begin to decline rather dramatically as well particularly on the energy side, the barley and corn and so on.*

*You put those two together and the industry basically returned to a profitable condition some time late spring, early summer and has managed to keep modest profitable margins through the summer and that indeed has extended into the early fall here so far with the decline in the barley price for example and hog prices holding up quite well as well.*

Mr Gietz notes, while the expectation over the next crop year is lower more manageable feed costs, we're probably going to see lower hog prices as runs get bigger.

He says, all factors considered, the industry is probably going to stay close to break even through the winter, which is typically a difficult time of year, and suggests we'll need two to three years like this before producers will consider expansion or replacing aging facilities.

*ThePigSite News Desk*