CANADA PORK NATIONAL PORK MARKETING PROGRAM

VISION: Canadian pork is recognized as the highest quality and preferred protein choice in the domestic marketplace.

MISSION: Canada Pork National Pork Marketing (NPM) programs will improve competitive position, market share and the prosperity of the Canadian pork industry.
MESSAGE FROM THE CHAIR, DICKSON GOULD

On behalf of the National Pork Marketing committee, I am pleased to present the Canada Pork 2017 Annual Report.

This is the third year of reporting under the 2014 – 2018 Strategic Plan which was developed to deliver the industry’s vision for Canadian pork: to be recognized as the highest quality and preferred protein choice in the domestic marketplace. The Canada Pork program continues to provide strong results against that vision based on our mission to improve competitive position, market share and the prosperity of the Canadian pork industry.

Canada Pork programs and services are achieving increased industry participation across all sectors and participating regions. The Verified Canadian Pork™ (VCP) program has exceeded committee expectations—Canada Pork has 31 licensed supply partners serving the retail and foodservice sectors featuring over 60 VCP co-branded products in the Canadian marketplace. The VCP program was successfully launched in Japan, China and Mexico and has become a global Canadian pork branding initiative. This outcome is the result of the industry’s targeted and collaborative marketing programs.

The “Farm to Table Quality Assurance” value proposition based on Canadian Pork Excellence coupled with a HACCP based delivery system is resonating with end-user customers and consumers around the world.

With the national pork marketing initiative entering its final year based on the current agri-marketing framework I am confident that Canada Pork has created a sustainable business model to build on for the future.

This annual report provides me with the opportunity to thank the committee, management and support staff for Canada Pork. Their continuing leadership, innovation and commitment together with their dedication and enthusiasm for the industry is critical to delivering further growth, profitability and value to our stakeholders.

Dickson Gould

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VERIFIED CANADIAN PORK™ PARTNER PROGRAM
Verified Canadian Pork™ (VCP) generic programs were developed to differentiate VCP from imported commodity pork products and increase consumer confidence and awareness of CQA, animal care and traceability programs in Canada. Available in the marketplace across all categories, VCP programs identify Canadian pork content to consumers at the retail meat case, processed meat counter and on the menu. The VCP program differentiates Canadian pork offered by end-user customers, allowing them to offer something exclusive to consumers.

VERIFIED CANADIAN PORK™ RETAIL PROGRAM
The Verified Canadian Pork™ brand is a unique partnership opportunity between Canadian farmers, processors and retail operators seeking to differentiate themselves in the Canadian marketplace with a truly exceptional program. Participation in the VCP program requires a no-charge licensing agreement between Canada Pork, the retail partner, participating supply partners and further processors if applicable.

The VCP program can be utilized as a stand-alone brand or integrated into a co-brand or private label branding strategy.

VERIFIED CANADIAN PORK™ FOODSERVICE PROGRAM
The Verified Canadian Pork™ brand is a unique partnership opportunity between Canadian farmers, processors and foodservice end-user customers seeking to differentiate themselves in the Canadian marketplace with a truly exceptional program. Participation in the VCP program requires a no-charge licensing agreement between Canada Pork, the foodservice partner, participating supply partners and further processors if applicable.

The VCP program can be utilized as a stand-alone brand or integrated into a co-brand or private label branding strategy.

DISTRIBUTOR EDUCATION PROGRAM (DEP)
Canada Pork conducts DEP sessions at the request of retail and foodservice end-user customers and NPM processors. The sessions focus on meat quality, yield performance and the hidden profit potential of expanding Canadian pork assortments. The seminars and training sessions also focus on Canadian pork on-farm and in-plant food safety and quality assurance systems and how Canada Pork programs and services can help build the pork category into a profit and sales growth centre in the meat case and on the menu.

The Canada Pork team works with industry to provide educational workshops, training seminars, and product development events to increase carcass utilization and value optimization.

1) Retail merchandising demonstrations
2) Foodservice portion cutting demos
3) Carcass and sub-primal cutting
4) New and under-utilized cuts
5) Preparation and cooking seminars
6) Benchmarking yield/financial performance

BRANDING CATEGORIES
1) Generic retail or foodservice VCP program
2) Co-branded products owned by National Pork Marketing (NPM) processors
3) Co-branded products owned by customers of NPM processors
4) Further processed co-branded products owned by NPM processors
5) Further processed co-branded products owned by NPM customers

RETAIL PROGRAMS & SERVICES
— Branded & co-branded support
— Point of sale material development
— Recipe development
— Consumer marketing support
— Supply chain development
— Education and training seminars
— Verified Canadian Pork™ brand promotion support

FOODSERVICE PROGRAMS & SERVICES
— Menu development
— Recipe development
— New product development
— Supply chain development
— Education and training seminars (front and back of house)
— Verified Canadian Pork™ brand promotion support
OVER 60 VCP CO-BRANDED PRODUCTS IN THE CANADIAN MARKETPLACE

RETAIL PARTNERS

FOODSERVICE PARTNERS

FURTHER PROCESSING PARTNERS

PRIMARY PROCESSING PARTNERS
VERIFIED CANADIAN PORK™ VIDEO PRODUCTIONS

Canada Pork developed and launched a series of Home Chef style videos promoting Verified Canadian Pork™. The videos feature Chef Jonathan Collins and are available on the Canada Pork YouTube channel. Each video focuses on a specific cooking method for pork including braising, roasting, grilling, sautéing and barbecuing. In the videos, Chef Collins provides an overview of each cooking method and demonstrates the best way to use it when cooking pork.

This represents the second series of Verified Canadian Pork video productions, bringing the total number of videos to twelve. These videos help improve end-user customer and consumer confidence and awareness of Canadian pork. In addition, they promote and demonstrate the value of new and underutilized cuts across all sectors.

The videos are available on the VCP website. They can also be linked from stakeholder websites.

NEW VIDEOS INCLUDE:

- **GRILL**/SMOKED BONE IN PORK LOIN WITH FINGERLINGS
- **SAUTÉ**/PORK TENDERLOIN CUTLET WITH HEIRLOOM BEETS AND CARROTS
- **ROAST**/HONEY PEPPER OUTSIDE PORK LEG WITH YUKON GOLD POTATO GRATIN
- **BARBECUE**/CHARRED PORK SHOULDER CAPICOLA STEAKS
- **BRAISE**/BRAISED PORK BELLY LITTLE GEM LETTUCE WRAPS

DISTRIBUTOR EDUCATION PROGRAMS (DEP) SESSIONS

Canada Pork has made it a strategic priority to conduct training seminars with national pork marketing processors, retail and foodservice end-user customers, and national pork marketing producer partners. These events build demand for Canadian pork and contribute to growing the pork category in both sales and profit by improving customer confidence and awareness of Canadian pork. The sessions focus on Canadian pork on-farm and in-plant food safety, quality assurance systems and cut utilization.

This year the Canada Pork team developed “Verified Canadian Pork Star” performers, a 4-page brochure outlining nine different pork specialty items selected from the carcass. The brochure includes the cut source along with the wholesale and marketing names for each of the VCP star performers. This resource will be used to support DEP sessions and provide new and innovative offerings to demonstrate ways to expand pork items at retail and foodservice operations.

In total, the team presented six DEP sessions for end-user customers: two cutting sessions for large national retail customers, one session for a customer of a NPM primary supply member, two events to support NPM producer organizations, and a joint DEP with Canada Beef for retail and foodservice customers in Western Canada.
Canada Pork developed and launched the Verified Canadian Pork™ website. The website, which supports Canada Pork and its national pork marketing member organizations, provides information about the Verified Canadian Pork brand to industry, end-user customers and consumers.

Available in French and English, the website includes links to the Verified Canadian Pork Home Chef and Home Butcher video productions as well as Canada Pork industry resource documents, nutritional information and recipes.

The website provides key information and official reference links that support the “Farm to Table Quality Assurance” promise that the VCP brand brings to the world’s table. The website also serves as a recipe gateway for users to access pork recipes from our provincial pork producer partners.
EVALUATION

PERFORMANCE MEASURES
Annual satisfaction survey of five stakeholder groups to measure five strategic categories of performance. The aggregate score provides the Canada Pork satisfaction index.

1) National Industry Partners
2) Provincial Producer Partners
3) Processors
4) Retail Operators
5) Foodservice Operators

MARKET INDICATORS
1) Canadian pork per capita disappearance
2) Size of market and growth trends for Canadian pork in Canada
3) Pork imports as a percentage of disappearance
4) Pork demand index

Market indicators provided by Statistics Canada.

KEY FINDINGS FROM ANNUAL EVALUATION
— The Canadian market remains the largest destination for Canadian pork, representing 760,000 tonnes in 2016.
— The Canadian pork demand index continues to trend upwards at 111.6% in 2016; this compares to the 2005 baseline of 100% and 88.7% in 2012.
— Pork disappearance (consumption) in Canada was 15.2 kg in 2016, down from 16.5 kg in 2015.
— Pork imports as a percentage of disappearance (consumption) for 2016 was 28%, below the 2012 record high of 31%.
— The performance measure Satisfaction Index for Canada Pork achieved an index rating of 83% in 2017 compared to 75.4% in 2015 (+8.4%).
EACH YEAR CANADA PORK CONDUCTS AN ONLINE SATISFACTION SURVEY WITH STAKEHOLDERS AND END-USER PARTNERS TO EVALUATE THE PROGRAMS AND SERVICES OFFERED BY THE NATIONAL PORK MARKETING (NPM) PROGRAM.

The survey consists of five key questions representing a cross section of strategic priorities and activities based on the annual marketing plan. Respondents are asked to rank each area based on a scale of 1–10 with 10 being the highest rating. The results provide a satisfaction index percentage for each program and service area by stakeholder and end-user group. Satisfaction index scores are key performance measures and provide Canada Pork staff and NPM committee with valuable insights and direct feedback for improvements. In addition, stakeholders are asked to evaluate the impact of the VCP brand, which is shown in a separate graph.

**Retail Operators**
- Top three programs of interest: 1. Activities/resources focused on responsible animal care. 2. Activities/resources focused on traceability. 3. Consumer education about cooking methods for pork.

**Provincial Producer Groups**
- Top three programs of interest: 1. Consumer education about cooking methods for pork. 2. Activities/resources focused on meat quality attributes and differentiation. 3. Pork production product knowledge and training sessions.

**Processors**
- Top three programs of interest: 1.验证Canadian Pork™ branded programs. 2.验证Canadian Pork™ partner programs. 3. Training and promotion on new and under-utilized cuts.

**National Associations**
- Top three programs of interest: 1.验证Canadian Pork™ branded programs. 2.验证Canadian Pork™ partner programs. 3. Training and promotion on new and under-utilized cuts.

**Provincial Producer Groups**
- Top three programs of interest: 1. Consumer education about cooking methods for pork. 2. Activities/resources focused on meat quality attributes and differentiation. 3. Pork production product knowledge and training sessions.

**Retail Operators**
- Top three programs of interest: 1. Activities/resources focused on responsible animal care. 2. Activities/resources focused on food safety and quality assurance. 3. Training and promotion on new and under-utilized cuts.

**Food Service Operators**
- Top three programs of interest: 1. Activities/resources focused on in-plant safety and quality assurance. 2. Activities/resources focused on on-farm safety and quality assurance. 3. Training and promotion on new and under-utilized cuts.

**Officials**
- Top three programs of interest: 1. Consumer education about cooking methods for pork. 2. Activities/resources focused on meat quality attributes and differentiation. 3. Pork production product knowledge and training sessions.

**Evaluation of VCP™ Brand in the Marketplace**

**Response by Segment**
- 96% of stakeholders across six industry segments were sent the online survey. 32 stakeholders in six categories responded, a 54% response rate, an increase of 5% over 2016.

**Approval Rating Industry Segment Comparison**

**Canada Pork Satisfaction Survey 2017**
MARKET INDICATORS

**Canada's Top Ten Pork Market Destinations 2016**
Source: Statistics Canada

**Canada Meat Disappearance (Consumption) | 1980-2016**
Source: Statistics Canada

**Meat Imports as a % of Domestic Disappearance (Consumption)**
Source: Statistics Canada / Table 002-0010 - Supply and Disappearance of Food in Canada

**Canadian Pork Demand Index | 2005-2016**
Source: Statistics Canada and Agriculture and Agri-Food Canada

**Canadian Pork Disappearance in Canada | 2006-2016**
Source: Statistics Canada

**Pork Imports into Canada | 2004-2016**
Source: Statistics Canada