

## **NORTH AMERICAN HOG AND PORK MARKETS**

Within the scope of this short paper it is not possible to deal with all the complexities of this subject; however, the following brief comments should be noted.

One factor that has a major bearing on trade in pork and processed meat products between Canada and the United States is the cost of the individual pork cuts from which the product is made. For many years Canadian and American hog markets, which directly affect the cost to the processor of the individual fresh pork cuts, have operated within the context of a "North American" hog market. This has meant that the market prices for hogs in the major centres in both countries have tended to equalize, taking into consideration the relative values of the U.S. and Canadian dollars, freight to move live hogs between points and, when applicable, duty.

Similarly, the values of the various pork cuts have tended to be the same (again, allowing for differences in the value of currencies in Canada and the United States, freight and duty). This, however, may be altered by the demand for particular pork cuts for specific markets. For example, the strong demand by the Japanese market for boneless backs and their preference for Canadian products has at times influenced the differential between the values of Canadian pork cuts and those in the United States.

However, in spite of these variations in the cost of the major pork cuts, in general it is possible for Canadian processors to market their finished product in the United States, particularly if quality and continuity of supply can be both stressed and maintained. This can be done if the processor is willing to regard the export market as an extension of his domestic market and not merely as an opportunistic one.