

CHAIRMAN'S REPORT

For Alberta pork producers, 2003 was marked with progress as well as challenges. Much time was spent dealing with the impact of the drought that resulted in feed shortage and led to high costs for producers. That, along with cyclical, low prices, high energy costs, plus the discovery of BSE, has been devastating to the hog industry's profit margins. All of these factors have resulted in a significant decline in the number of producers. Over the past ten years, the number of hog producers has declined from 4800 to less than 1800. However, the number of hogs produced has increased from 2.2 million hogs in 1993 to a current annual production of about 3.5 million. Alberta Pork requested the same type of drought assistance that was given to the cereal and forage sector last year. However, the Alberta government was not receptive to our numerous requests for financial help.

Because of the increase in the size of operations, producers are facing greater challenges. The increasing emphasis on accountability in the areas of the environment (water, air and soil conservation), verification of safe food production, animal care, along with other pressing issues, has directly affected our industry. Alberta Pork will continue to be active in helping set reasonable standards to maintain consumer confidence, while keeping the increased expectations of producers to a minimum.

One of the goals of Alberta Pork includes establishing and carrying out programs to begin, stimulate, increase or improve the production of pork. We are involved in expanding market awareness and demand for pork and hogs. This includes promoting increased consumption by consumers. You will find more about our promotion program throughout this annual report. Of particular note is the addition of the Special Events Cruiser, which has proven to be not only a clever community relations improver, but serves our consumer marketing program as well.

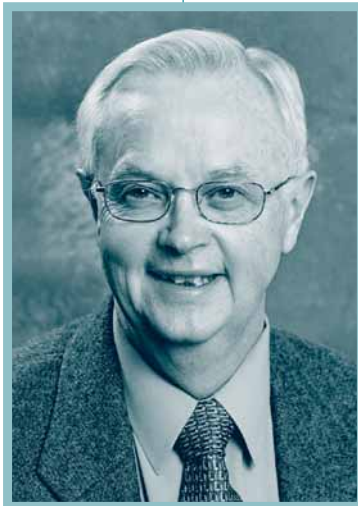
As stated elsewhere, our mission is "to be valued as producers of preferred, quality foods in a prosperous and sustainable environment." In order to help producers carry out that mission, both staff and directors are constantly assessing programs and/or developing new programs. One example is

our involvement in the development of provincial standardized permitting procedures through the Agricultural Operations Practices Act (AOPA), and their implementation through the Natural Resources Conservation Board (NRCB). Since its inception in January 2002, a number of areas of concern have arisen. Therefore, the regulations are being reviewed at the time of this writing by MLA Albert Klapstein. Industry has been asked for submissions as part of the review. Recommendations for revision and change will be released and open to public input this fall.

Work has been done to develop an effective identification and traceability protocol in case of a disease outbreak. The intent is to

be able to quickly trace hogs from "farm to fork" in order to limit the negative effects of an outbreak. With the recent BSE problem in cattle, the need for this has become much more urgent. You will hear more about this in the near future, and your cooperation will be required in establishing such a national system in order to protect your operation and the industry. The animal welfare issue is also becoming more front and centre as domestic and international consumers make greater demands. Since we produce food for consumers world-wide, we have very little choice but to comply with standards set by our customers.

Where possible, we work together with other industries facing the same issues. We do that through the Intensive Livestock Working Group (ILWG). Membership includes Alberta Cattle Feeders' Association, Alberta Chicken Producers, Alberta Egg Producers,



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Alberta Hatching Egg Producers, Alberta Milk, Alberta Beef Producers, Alberta Turkey Producers, and Alberta Pork. The ILWG serves as a forum for sharing information, developing common positions and exploring actions on issues of interest to livestock producers - such as municipal property taxation alternatives, provincial development permitting and the provincial water strategy development.

On a different note, this fall, elections will be held across the province in all districts for directors and delegates. Since the change in our structure two years ago, elections are held for all positions on the board of directors and the delegate body every second year. The elections will be held at the district meetings scheduled in November. You are asked to attend any one of these meetings in order to vote. Please exercise your right by providing your input to those who will guide the organization for the next two years and to the issues and policies of concern. Why not consider standing for office?

There is much more I could say about what is happening in our industry at local, provincial, national and international levels. Some

of that is covered in this annual report and I encourage you to read it from cover to cover. If you have questions or comments at any time, talk to your director, delegate, or staff members.

Lastly, we as a board are appreciative of our staff for their devotion to our industry and making Alberta Pork an effective and respected organization on the farming scene in Alberta. We congratulate Ed Schultz, who, this year, marked thirty years with Alberta Pork, twenty-eight of those as general manager. Ed is the senior statesman among general managers of provincial pork organizations across Canada, and of farm organizations in general. We appreciate the wealth of experience Ed brings to Alberta Pork and the great respect he has, not only in our industry, but in other circles as well, including the provincial government. Thanks Ed!



William Wildeboer
Chairman

