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## Ontario abattoirs facing processing capacity shortages – in need of funding



*By Jackie Kelly-Pemberton, Director, Ontario Federation of Agriculture*

Abattoirs and processing plants are essential for livestock and poultry farmers to market locally-grown and processed food to consumers. The COVID-19 crisis has revealed vulnerabilities in the current meat processing supply chain, but has created an opportunity for a more regional approach to food production.

Earlier today, the Ontario and Canadian governments announced that they will be investing more than \$5.4 million through the Canadian Agricultural Partnership to help improve food safety, productivity and market access. The Ontario Federation of Agriculture (OFA) acknowledges and appreciates this collaborative investment to support more than 75 projects across the province.

In the list of projects released today, we are pleased that funding has been dedicated to meat and poultry processing plants to address needs related to expanding capacity and improving efficiency. This will assist the innovation of food processors to ensure the food supply chain remains strong and competitive.

OFA understands today's announcement will help address some of the issues impacting the meat processing sector, but it remains crucial that financial aid and support is provided to small-scale abattoirs. Funding is critical to assess vulnerabilities affecting local abattoirs, to create a competitive and healthy meat processing supply chain.

Processing capacity shortages, difficulties in maintaining high food standards, and market volatility have been among some of the major concerns for Ontario's livestock and poultry farmers. Factor in temporary plant closures due to the spread of COVID-19 and it's been a tumultuous year for the agriculture and meat processing sector. Despite the high demand for services, opportunity for growth within the processing industry is significantly restricted. Many

small, local abattoirs across the province continue to experience significant financial strains as a result of complying with government regulations. The decline in small processors across the province has resulted in too few processors to place bids on livestock to ensure a competitive, healthy marketplace.

Current challenges in adequate processing capacity, decreased market prices, and regulatory burden and red tape have created significant hardships in the livestock and poultry industry. Building local capacity for processing meat is a critical issue being discussed by agri-food representatives on economic recovery task forces. In order to be viable in a competitive market, local abattoirs and processing plants are in need of financial assistance to comply with government regulations, maintain high worker and food safety standards and animal welfare, and meet the local food demands of Ontarians.

In our pre-budget submission in January 2020, OFA requested financial assistance for abattoirs for upgrades to assist with overcapacity and food safety. Previously, OFA has requested that the Ontario government work with the livestock and poultry sector to develop a strategic action plan to address the processing capacity issues to ensure the financial sustainability of this group of Ontario farmers. The livestock and poultry industry is a significant contributor to Ontario's rural economy, and provides economic contributions which are vital to the growth and sustainability of the entire agri-food sector. OFA believes that with sound strategic planning and financial assistance, processing capacity shortages can be addressed to ensure a more sustainable work environment for small, local abattoirs.

OFA members are concerned how various industries will be affected if abattoirs continue to remain over capacitated and under financed. Without assistance, continued processing capacity shortages may cause industries to face lost income that can threaten the viability of Ontario's livestock farmers and farms, livestock truckers, auction barns, processors and other associated industries that make this billion-dollar sector thrive.

Together, we can address processing capacity shortages, a serious competitiveness crisis, maintain high food and workplace safety standards, and ensure the sustainability of our meat processing supply chain. The strength of the agri-food value chain is dependent on the viability of the meat processing sector.

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