



Assessing the Impact of Environmental Regulations on Hog Farms in Canada

Guelph, ON (July 11, 2007) A recently released study, commissioned by Agriculture and Agri-Food Canada (AAFC), assesses the economic impact of environmental regulations on the competitiveness of hog farms in Canada.

Environmental regulations across Canada aim to protect the environment and encourage environmentally sound agricultural practices. However, agricultural producers expressed concern about the impact these regulations have on costs. In response, AAFC began to investigate the impact of environmental regulations on primary agriculture through a series of case studies, starting with the hog sector.

The report, completed by the George Morris Centre and the Prairie Swine Centre, analyzes the effect of environmental compliance on a hog farm's cost structure. The study provides a clear understanding of the competitive advantages and disadvantages for hog producers in provinces that have varying levels of environmental regulation.

Using a model farrow-to-finish operation as a case study, the report found that the total cost of environmental compliance was highest in Ontario and lowest in New Brunswick. While regulations in Quebec are restrictive in comparison to other provinces, the environmental costs incurred to comply with the regulations in Quebec were lower than other jurisdictions.

Cher Brethour, Senior Research Associate at the George Morris Centre, states that "the challenging and interesting aspect of this study related to the classification and determination of environmental costs. That task included differentiating the costs classified as those of doing business versus costs specifically related to the environment."

For this study, key factors impacting the compliance costs included environmental impact assessments, nutrient management planning, manure storage requirements above 240 days and geotechnical investigations. Manure handling costs and manure storage requirements below 240 days were considered costs of doing business rather than environmental costs.

According to Beth Sparling, Research Associate, “it is important to understand that this report captures the current picture of the industry and legislation. Moving forward, this information will allow policy makers to assess the implications of future legislation.”

The complete report, published by AAFC, is available on the George Morris Centre website: www.georgemorris.org, and on the AAFC website: www.agr.gc.ca.

The George Morris Centre is Canada’s independent agri-food think tank, dedicated to provoking informed dialogue on policies and issues, and fostering excellence in the agri-food sector.

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