



**Cost of Production
Benchmarking Tool for Swine**

Centre de développement
du porc du Québec

Presentation outline

- Swine production background
- Cost of production benchmarking tool
- Objective of the analysis project
- Steps to carry out the project
- Implementation plan
- Anticipated results
- Conclusion

Swine production background

- Since 2005, the profitability of swine farms continues to dramatically decrease
- One out of 5 farms is failing to pay their loan installments
- The rate of debt is increasing
- The cost of support programs are reaching record levels

Swine production background (cont.)

Drivers

- Social acceptability
- Environmental regulations
- Downfall of pork prices
- Dollar exchange rate
- Circovirus disease

Cost of production benchmarking tool for swine

- The positioning of Quebec pork farms compared to their competitors is essential to be able to evaluate their strengths and weaknesses
- The solution chosen to reach this goal is to develop a benchmarking tool using costs of production

Goal of the analysis project

- Develop a method and a tool that will ensure uniformity and benchmarking for the cost of production for swine production in Quebec and similar regions competing in the North American marketplace. This will in turn identify the strengths and weaknesses of the swine industry in Quebec.

Steps to carry out this project

Step 1 : Feasibility study

- Identify the production method or methods which represents each region
- In order of importance, identify the cost of production parameters which will be benchmarked
- Identify the calculation methods for each parameter in each region
- Identify the initial source of data

Steps to carry out this project

Step 2 : Creating the tool

- Developing the tool if the conditions to be successful are present

Anticipated results

- Identify the principal business models
- Establish a standard method for calculating costs of production
- Develop a benchmarking tool
- Network and create synergies with consultants from other regions
- Offer a management tool for producers

Implementation plan

- Centre de développement du porc du Québec
- Agri-réseau
- Specialised conferences
- Specialised publications

Conclusion

- For more information or if you wish to participate in this study, please contact le Centre de développement du porc du Québec

THANKS!
