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Pest Attacks Cornfields in Ontario, Quebec

A minuscule pest is now slowly chewing its way through crops in Canada having made its way from corn-belt states in the United States. Entomologists aren't sure why the western bean cutworm began migrating, but can confirm the critter has popped up in Ontario and Quebec corn fields. "This is the first year we're anticipating a significant problem," said Art Schaafsma, an expert in crop pest management at the University of Guelph in Guelph, Ont. In just one year, there's been a proliferation not only in the insect's numbers but also in the number of regions where it's been found. Schaafsma estimates the infestation could cost the farmer 10 to 15 percent of his crop yield. He noted further that Canada's cutworm invasion is mild compared to that in some U.S. states.

Good Export Year Ends, Poor One Looms: Canadian Wheat Board

The Canadian Wheat Board (CWB) says exports for the crop year ending July 31, 2010 are at a 10-year high, but that they will be sharply lower in the coming year due to poor crop prospects in western Canada. Exports of wheat, durum and barley for 2009-2010 will total 18.8 million tons (MT), the CWB said at a year-end news conference in Winnipeg. It projects 15.1 MT for the coming year. The CWB said excess rains have left 10.5 million acres unseeded and ruined prospects for another 2.5 million seeded acres. Prairie wheat production therefore totals 15.6 MT, durum at 2.9 MT and barley at 7.4 MT, with net revenue to farmers for 2009-2010 estimated at about C\$4.8 billion, the third highest total in the past decade. The CWB forecasted for the 2010-2011 crop year that seeding would be stalled by 82 percent, leaving 10.5 million acres unseeded across the prairies and exports would drop to 15.1 MT, the lowest since 2004-2005.

Vilsack Concludes Agriculture Meetings in Canada

Agricultural leaders from Canada and the United States have agreed to create a working group that will focus on mitigating trade disruptions between the two countries. Canadian Minister of Agriculture Gerry Ritz hosted United States Agricultural Secretary Tom Vilsack in Ottawa this week. "What Tom and I agreed to is to put together a team that proactively looks at something that may pop up and tries to get the answers before the questions are raised," said Minister Ritz. "We would like the group set up in the coming weeks." The working group would take a science-based approach to trade, improve cross-border flow of agricultural producers and further strengthen a joint approach to food safety.

Working to Remove Agricultural Trade Barriers with Columbia

A special round of bilateral technical discussions between the Canadian Food Inspection Agency (CFIA), and Colombia's Instituto Colombiano Agropecuario (ICA), will map out the resolution of the remaining outstanding technical issues between the two countries. "Canada and Colombia have a strong partnership based on principles of science and is paying dividends for our farmers." Colombia lifted its BSE ban on beef in January 2010 and live cattle in April 2010, demonstrating their commitment to science-based approaches to trade. Opportunities for further growth will be facilitated by the implementation of the Canada-Colombia Free Trade Agreement (FTA). It received Royal Assent in Canada in June 2010 and will come into force once the Colombian government completes its domestic

approval processes. Colombia is the third-largest South American market for Canadian agri-food products.

Philippines to Accept Canadian Rendered Products

The Philippines has lifted its BSE-related ban on rendered meat and bone meal (MBM) from Canada, the federal government confirmed Friday. A "concerted effort by government and industry" led to the Philippine government's agreement to open its market to Canadian rendered animal byproducts including blood meal, poultry meal and fats, effective immediately. The Canada Beef Export Federation estimates the Philippine market access for rendered products could reach C\$20 million per year. MBM could thus form a substantial chunk of Canada's exports of farmed foods and their byproducts to the Philippines -- exports which in 2009 totaled C\$250 million. In 2007, Canada banned specified risk materials (SRMs, the tissues known to harbor the proteins that cause BSE in infected animals) from all feed, pet foods and fertilizers. Ruminant MBM and other inedible products are regulated and verified by the Canadian Food Inspection Agency for compliance with BSE-related regulations and chemical residue tolerances. The Philippines were among several countries to shut its ports to Canadian beef and cattle in 2003 following the appearance of Canada's first domestic case of BSE in an Alberta cow. Canada has seen 16 more cases of BSE in its domestic cattle herd since then, but many countries have recognized Canada's measures to keep BSE out of food and feed and reopened their ports of entry to varying levels of Canadian products and livestock.

Federal Government Investigates Cloned Embryo Claims

The federal government is probing a claim that embryos from a cow bred of a cloned parent animal in Great Britain have been sold to breeders in Canada. "We are working closely with our U.K. counterparts to investigate these allegations," Canadian Food Inspection Agency (CFIA) spokesman Guy Gravelle confirmed Thursday. Foods derived from cloned animals are not approved for sale in Canada. Cloning animals is among the techniques breeders use to try to produce heartier, healthier animals, with higher-quality meat or to produce more milk production. CFIA and the ministries for health, agriculture and the environment departments produced a draft assessment of the safety of cloned animals in 2008, but have not yet finalized it.

Flax Deliveries to See Tighter, More Expensive Testing

This fall, flax sold into Canada's grain handling system will be tested more closely to cull any remaining genetically-modified seed from the supply. The new testing requirements, effective September 1, 2010, are expected to double the testing costs paid by producers, the Flax Council of Canada said in a release. Growers currently must arrange for approved laboratories to test a two-kilogram representative sample, but, under the new requirement, the laboratory will draw and test four separate 60-gram subsamples from that two-kg sample. All four lots must test as free of any genetics for CDC Triffid, for the result to be deemed "negative." According to the Flax Council, the industry called for the added procedure because using several subsamples "significantly increases the reliability of the test results." The move represents another of the industry's "ongoing measures" to meet strict protocols to ship flax to the European Union (EU), previously the single largest importer of Canadian flax and adamant about zero tolerance of GM material in flax imports. Testing in the EU in 2009 found CDC Triffid genetics in a shipment of flax from Canada. Triffid, developed in Saskatchewan in the 1990s for tolerance to sulfonylurea herbicide residues in soil, was approved but then deregistered in 2001 without ever being

sold as commercial breeder seed. Canada's flax industry had successfully lobbied for Triffid's deregistration, for fear of losing its substantial export markets in Europe and other GM-shy markets if a GM flax were introduced.

Canadian Poultry Genetics Return to Mexico

Canadian poultry genetics exporters again have access to the lucrative Mexican market following a new agreement between the two governments on August 4, 2010. The doors have been closed since the 2004 avian flu outbreak, but Canadian Minister of Agriculture Gerry Ritz said the export of hatching eggs, day-old chicks and turkey poult from Canada can resume immediately. Imports of day-old chicks, poult and hatching eggs to Mexico from all countries reached C\$18.2 million in 2009, and the Canadian industry estimates that exports of these products could potentially reach C\$2 million annually. Total Canadian agri-food exports to Mexico last year were C\$1.5 billion.

Biofuels Industry Leaves Hazy Environmental Footprint, Report Says

The biofuels industry leaves behind a hazy ecological footprint because each facility measures its environmental performance differently, says a report published March 31, 2010. Environment Canada commissioned a report this spring after the United States and Brazil found facilities that make renewable fuels could be behind problems with air, water and human health. The resultant study found gaps in the way biofuels plants measure greenhouse gases and other pollutants. "The environmental performance of biofuel facilities and the (greenhouse gas) and other pollutant reductions they generate can vary substantially for different regions in Canada and will be unique for different biofuel production facilities," the report says. It goes on to say: "As a result of these differences, and in the absence of a full set of supporting data and analyses, there are varying perceptions regarding the overall environmental performance as well as total footprint of biofuels." The authors of the report say more work is needed before Environment Canada has better baseline data to measure pollution from biofuels plants in the future. That could include getting industry to agree to standards for gathering and reporting pollution data. The report also calls for an industry-wide annual report and periodic stack testing at the plants.

Exchange Rate: Noon rate, August 19, 2010 (Bank of Canada): U.S. Dollar = C\$1.04.