

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Report on the Impact of Canadian Trade Action Against U.S. Exports of Pizza Toppings Kits * Grain
and Feed Update May 2014 * Saskatchewan Wins Oilseed Challenge Against Quebec

Current Canadian Agriculture in the News, Issue 5

Report on the Impact of Canadian Trade Action Against U.S. Exports of Pizza Toppings Kits:

Post has released a report discussing the trade action Canada has taken against U.S. exports of pizza topping kits to Canada. The report outlines what form the trade action took, the international reaction to this trade action, and the impact this trade action has had on Canadian imports of U.S. food preparations in Chapter 16. Post estimates that the value of the annual trade lost to US exporters as a direct result of the trade action taken by Canada against exports of pizza toppings kits to be US\$ 25-30 million. U.S. exporters remain concerned that Canada, without any advance notification or consultation to affected parties, will adopt similar processes on other food preparations and blended products to restrict trade it deems a threat to its domestic dairy industry's interests.

The GAIN report CA14044 can be found at the following URL address:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Impact%20of%20Trade%20Action%20on%20Imports%20of%20Pizza%20Toppings%20Kits_Ottawa_Canada_5-7-2014.pdf

Grain and Feed Update May 2014: Statistics Canada released the results of its March seeding intentions survey on April 24, 2014. The seeding intentions confirm that farmers will be planting less wheat, barley, and canola compared with 2013, but more soybeans, corn, oats, and pulses (peas and lentils). The biggest surprise to the trade was the canola numbers which were lower than expected. Very little seeding is complete by this time of year so it is too early to know the impact of the late spring. The Thunderbay shipping route is at last open, one month later than average. Bill -30, The Fair Rail for Grain Farmers Act, continues its progress through Parliament. More on these stories can be found in the GAIN report number CA14046 available at the following URL address:

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Update%20%20%20%20May%202014_Ottawa_Canada_5-8-2014.pdf

Saskatchewan Wins Oilseed Challenge Against Quebec: A dispute resolution Panel, established under the pan-Canadian Agreement on Internal Trade, ruled that the Quebec government's restrictions against the production, sale and marketing of vegetable oil-based dairy products contravene the country's internal trade rules. The provincial government of Saskatchewan brought the case to the dispute resolution panel in early January 2014 and was supported by Canada's other Western provinces, as well as the Vegetable Oil Industry of Canada. Saskatchewan successfully argued that measures in the *Quebec Food and Products Act* and the *Regulations Respecting Food* discriminated against vegetable oils which compete with butter and butter oils. In 2012, a similar complaint was brought against the province of Ontario by Canada's Western provinces. A Panel found that Ontario's measures were inconsistent with the Agreement on Internal Trade and Ontario has since amended its measures to comply with the Panel's report. While the Quebec government is appealing the decision, the Saskatchewan government has stated that it is confident that the decision will be upheld and that Saskatchewan oilseed producers and processors will benefit significantly from increased access into the Quebec market.

The government of Saskatchewan's press release can be found at the following URL:

<http://www.gov.sk.ca/news?newsId=ff5145ea-e09e-4a55-9eca-293333953d3b>

More information on the panel's ruling can be found at the following URL:

http://www.ait-aci.ca/index_en/dispute.htm