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## Canada

### Agricultural Situation

### This Week in Canadian Agriculture, Issue 28

### 2001

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#### Report Highlights:

**What's New, EH?\*\*\*FEDS READY TO PROCLAIM BEEF CHECKOFF  
AGENCY\*\*\*ORGANIC AGRICULTURE GETS C\$1 MILLION RESEARCH  
CENTER\*\*\*RECORD ONTARIO GM ACREAGE\*\*\*SASK AG MINISTER  
DISCUSSES DROUGHT SITUATION\*\*\*QUEBEC MAPLE SYRUP  
PRODUCERS SEEK TO CURTAIL USE OF BANNED CHEMICALS**

**And more...**

This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives. Substantive issues and developments are generally also reported in detail in separate reports from this office.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

**FEDERAL CABINET READY TO PROCLAIM BEEF CHECK-OFF AGENCY:** In the next few weeks, the federal Cabinet is expected to proclaim a National Beef Checkoff Agency. Canada's beef cattle producers formally petitioned for the agency last year (see CA0024, CA1008 and CA1014). Following an inquiry and public hearings during 2000, the National Farm Products Council (NFPC), earlier this year recommended to the Minister of Agriculture to establish the research, market development and promotion agency for beef cattle. The Agency would enable the Canadian beef industry to apply a national check-off on domestic and imported cattle and beef. The proposed levy rates for imports are essentially the same as those used in the U.S. cattle and beef check-off. Collecting a check-off on imported beef and cattle is expected to add about C\$800,000 per year (the U.S. share is roughly estimated at about 60%) to the Canadian beef and cattle industry's promotion and research efforts. Despite objection by New Zealand and Australia, Canada believes the proposed checkoff is consistent with Canada's obligations under international trade agreements. The target date for the proclamation of the Beef Agency is August 1, 2001. The check-off on imports won't take effect until a national plan is fully functional. Most provinces already have a C\$1 per head check-off in place through their provincial cattle associations and industry sources say there are still some issues to be worked out at the provincial level.

**ORGANIC AGRICULTURE GETS C\$1 MILLION RESEARCH CENTER:** Agriculture and Agri-Food Canada (AAFC) has announced federal funding of nearly C\$1 million to create the Organic Agriculture Center of Canada. The center will act as a national center for education and research in organic agriculture, respond to a growing demand for knowledge in the fast-emerging sector and, according to AAFC, help provide the Canadian organic industry with a competitive edge in international marketing. For more information see CA1097.

**ONTARIO FARMERS PLANT RECORD ACREAGE OF GM CROPS IN 2001:** AGCare, a coalition of farm groups representing Ontario's 45,000 field and horticultural crop growers' interests in biotechnology, crop protection, and related environmental issues reported last week that Ontario growers chose crops enhanced through biotechnology in record numbers for the 2001 growing season. AGCare estimates that 25-30% of soybeans, more than 80% of canola and approximately 40% of the corn grown in Ontario this season are from seed varieties that have been genetically modified to be herbicide tolerant or inherently resistant to specific pests. These figures represent significant increases over 2000, when approximately 20% of soybeans, 65-70% of canola and 30% of corn were grown from such varieties. "It's clear that farmers see the advantages that the technology offers," said Jim Fischer, of AGCare. "Each year, the adoption

rate for biotech crops increases as more farmers experience the benefits and incorporate the technology as an integral part of their farm business management system."

**CROP REPORT MIXED:** The Agricore crop report notes conditions in Manitoba were favorable for the week ending July 17, but extremely variable in Saskatchewan and Alberta. Moisture is generally good to very good in Manitoba with crops above average. With 50 as average, reports rate Manitoba wheat at 72-73. The situation in Alberta remains very poor and some crops are being written off. Crops in the Peace are average to good. For the province as a whole, Agricore rates wheat at 39, durum at 12, barley 40-48, canola 49, oats 44, peas 41. Scattered showers fell in Saskatchewan but only SE has adequate moisture. Elsewhere topsoil moisture is only fair. Crop condition ratings in Saskatchewan areas where Agricore has elevators are 25-30 in SW, 25-75 NW, 15-20 NE, mostly 75 in SE.

**SASK AG MINISTER DISCUSSES DROUGHT SITUATION:** July 18 *AGRILINE* reports Saskatchewan Agriculture Minister Clay Serby met July 18 with federal Agriculture Minister Lyle Vanclief to discuss the drought situation. One request was to allow producers to withdraw funds from NISA accounts early. Minister Vanclief said he would consider it but stressed that Ottawa has no plans for drought relief beyond crop insurance and existing farm income schemes.

**FAST FOOD GIANTS VIE FOR TOP SPOT:** According to a recent profile it published on McDonald's Restaurants of Canada Ltd., the *Globe and Mail* reported that with sales of nearly C\$2-billion in 2000, Wendy's International Inc. of Dublin, Ohio is catching up to McDonald's Canada's revenue of C\$2.14-billion, thanks to its 1,900 Tim Hortons coffee-and-donut outlets and an innovative menu that includes sandwiches, soup and coffee. In response, Macdonald's is reportedly experimenting with espresso coffee, sandwiches, decadent cakes, poutine (french fries, cheese and gravy) and McLobster in Canadian test markets. In a bid to make fast food even faster, it is trying double pickup lanes and 30-second-or-free "Hand-the-Bag-Out-the-Window" service. According to the *Globe and Mail*, the changes -- probably the biggest in McDonald's 30-year history in Canada -- are coming because McDonald's is losing momentum. The newspaper report quotes analysts as saying the company's margins have shrunk because hamburger lovers are wary of eating beef after years of health scares, fickle consumers are weary of the same old menu and the level of competition has increased. In Canada, McDonald's reportedly has 19 per cent of the fast food market, 1,156 restaurants with another 350 coming by 2004, and 75,000 employees. (Source: *Globe and Mail*, July 16, 2001).

**QUEBEC MAPLE SYRUP PRODUCERS SEEK TO CURTAIL USE OF BANNED CHEMICALS:** The July 18 *Montreal Gazette* reports Quebec maple syrup producers are calling for the provincial government to step up efforts to stop farmers from using a banned chemical on their trees after recent spot inspections showed widespread use of paraformaldehyde. This spring, inspectors from the Pest Management Regulatory Agency found paraformaldehyde at 21 of 50 Quebec syrup farms they visited. Inspectors found 55 per cent of large-scale farmers--those with more than 10,000 trees--and about a quarter of small farms used the chemical. Paraformaldehyde has been found to cause long-term damage to maple trees, but according to the article, poses no risk to humans because of the small amounts used.

**TRADE MINISTER PETTIGREW MET WITH AMERICAN CONSUMERS FOR**

**AFFORDABLE HOMES:** On July 18, Trade Minister Pettigrew met with representatives of American Consumers for Affordable Homes (ACAH) in Ottawa to discuss the ongoing trade dispute between the United States and Canada on softwood lumber issues. ACAH is an ad-hoc alliance of 15 national organizations including consumers, home builders, and retailers. There was no press report following the meeting.

**CWB RAISES ITS FEED BARLEY PRICE OUTLOOK:** July 17 *AgriLine* reports the Canadian Wheat Board (CWB) raised its feed barley price outlook by \$11/ton today from its June report to \$160. The Board now expects western barley harvest of 11.2 MMT, down from the June estimate of 13.23 MMT and 12.58 MMT last year. It was the first-ever mid-month revision of a pool return price. CWB expects limited volumes for export to highest-paying markets.

**Did You Know...**

That according to the Canadian Grocer's latest Executive Report, the top five In-Home Dinner Main Dishes in 2000 were Chicken (excl. wings and nuggets), Pasta (excl. macaroni & cheese), Soup, Pork (excl. ham & bacon), and Rice Dishes.

**Recent Reports from FAS/Ottawa:**

Report Number	Title of Report	Date
CA1096	This Week in Canadian Agriculture, Issue 27	7/12/01
CA1097	Federal Funding for Organic Research Center	7/16/01
CA1099	Canadian Food Brokers' Association Membership	7/18/01
CA1100	Canada: A Great Test Market	7/18/01

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