



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 3/10/2004

GAIN Report Number: CA4018

Canada

Agricultural Situation

This Week in Canadian Agriculture, Issue 10 2004

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Report Highlights:

* Increased Access for U.S. Feeder Cattle * Canada's Hog Industry to Defend Itself Against U.S. Countervail and Anti-Dumping Charges * High Pathogenic Avian Influenza Found on B.C. Farm * Dumping Decision Extended on U.S. Frozen Pizza * New Canada Food Guide Could Be Good News for U.S. Fruit and Vegetable Exports * Trade Minister Defends Supply Management * Higher Dry Pea Production Forecast

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1]
[CA]

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.

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.

INCREASED ACCESS FOR U.S. FEEDER CATTLE: Canada has announced its intention to increase access for U.S. feeder cattle from 39 states. Canada's Agriculture Minister, Bob Speller announced that Canada will remove anaplasmosis and bluetongue testing and treatment requirements from feeder cattle imported from the United States enabling year-round access to Canadian feedlots. *Comment: Before the increased access could be realized, Canada will have to revise the current list of exemptions under its BSE import restrictions. Currently, only U.S. bovines for immediate slaughter are permitted entry into Canada under BSE control measures. Prior to the rule change, Canadian feedlots could only import U.S. feeder cattle from 8 designated states during the winter period October through March when the opportunity for vectors to spread disease is considered negligible. During the 2000-2001 winter period, the U.S. exported more than 210,000 feeder cattle to Canada valued at an estimated \$100 million. In the 2001-2002 six-month import season, exports slipped to about 120,000 head but were valued at more than \$60 million. The effects of drought, tight feed grain supplies, and the disruption of BSE lessened Canadian imports of U.S. feeders in subsequent years, but the new import protocol offers the potential for significant increases in future years once North American live bovine trade returns to normalcy.*

CANADA'S HOG INDUSTRY WILL DEFEND ITSELF AGAINST U.S. COUNTERVAIL AND ANTI-DUMPING CHARGES: Canadian Pork Council President Edouard Asnong says that the Canadian Pork Council (CPC), the national organization representing Canadian hog producers, is preparing to defend Canada's hog industry against the U.S. trade actions to impose countervailing (CVD) and anti-dumping (AD) duties on Canadian live hog imports. On March 5, 2004, the U.S. International Trade Commission, in response to a petition filed by the National Pork Producers Association, state pork organizations, and individual U.S. producers, instituted the CVD and AD actions. Asnong claimed that Canada trade hogs fairly and vowed that the CPC would present a strong case in representing the interests of Canadian hog producers.

HIGH PATHOGENIC AVIAN INFLUENZA FOUND ON B.C. FARM; EC JOINS BAN: The Canadian Food Inspection Agency (CFIA) announced that the high pathogenic form of the H7N3 virus were present on the same B.C. poultry farm that tested positive for low pathogenic avian influenza in late February, 2004. In addition, another B.C. poultry farm is under quarantine and surveillance by CFIA. The European Commission has joined a number of countries that already have import restrictions on Canadian poultry (China, Japan, South Korea, Hong Kong, Singapore and the Philippines) and the Canadian poultry industry is concerned that additional countries will also impose bans. Of total Canadian poultry and poultry meat exports during 2003 of \$100 million, the Asia Pacific region accounted for about \$13 million. The major share of Canadian live poultry and poultry meat exports in 2003 was to the United States (\$70 million). Canada placed temporary import restrictions on live poultry and poultry products from Texas on February 23, 2004 following the confirmation of highly pathogenic avian influenza in the state (see CA4016).

DUMPING DECISION ON FROZEN PIZZA EXTENDED TO MAY 17: The Canada Border Services Agency (CBSA) announced an extension of an investigation into the alleged injurious dumping of frozen self-rising pizza from the United States. A preliminary decision pertaining to all or part of the investigation will be made by May 17, 2004 (originally slated for April 1). The CBSA extended the 90-day period for making a preliminary decision due to the complexity of the transactions involved in the case. The agency said it required additional time to analyze completely the domestic and export sales of the goods. The anti-dumping investigation was launched in January 2004 when the CBSA initiated an investigation into the alleged dumping of frozen self-rising pizza from the United States. The CBSA started the investigation after receiving a complaint filed by McCain Foods Limited of Florenceville, New Brunswick. The Canadian company alleged that the dumping of the goods in question is harming Canadian production by causing price erosion, price suppression and lost sales. See CA4015 and CA4001 for background information.

PLAN TO REVISE CANADA'S FOOD GUIDE COULD BE GOOD NEWS FOR U.S. FRUIT AND VEGETABLE EXPORTS: Health Canada announced this week that the Canada Food Guide, entitled, *Canada's Food Guide to Healthy Eating*, will undergo an update to incorporate new science about the relationship between diet and health that has evolved since the guide was last revised in the 1990s. The new food guide is scheduled for March 2006 and is expected to split the current fruit and vegetable category into two, in order to encourage more fruit and vegetable consumption. Canada relies heavily on imports of U.S. fresh fruits and vegetables. U.S. fresh fruit and vegetable exports to Canada in 2003 reached \$1.8 billion, accounting for half of total U.S. fresh fruits and vegetable exports to the world. For more information go to the following Health Canada webpage:

http://www.hc-sc.gc.ca/hpfb-dgpsa/onpp-bppn/review_interpret_findings_e.html

TRADE MINISTER DEFENDS SUPPLY MANAGEMENT: In response to the International Monetary Fund's (IMF) annual review on the Canadian economy (IMF Country Report 04/60), Canada's Trade Minister Jim Peterson reportedly told the press that Canada will not open up its highly protected domestic dairy and poultry sectors. In its report the IMF said that despite the significant integration between the two countries under NAFTA, that additional significant benefits could be reaped from further reducing other barriers to trade. Peterson reportedly told Reuters, "Our agriculture programs are minimal in comparison to the massive subsidies we see in the European Union and U.S.," "They are so minimal in terms of the overall scope of discussions that they are not on the table."

HIGHER DRY PEA PRODUCTION FORECAST: Agriculture and Agri-Food Canada crop analysts expect Canadian dry pea production to advance by about 11% to 2.36 million metric tons with higher yields offsetting an anticipated 5% decline in area. Canada is the largest producer of dry peas in the world, accounting, on average, for about 20% of world production. In 2002, Canada accounted for 28% of world exports, second to France with 30%. AAFC forecasts Canadian exports to increase in 2003-2004. In addition to the export market, dry pea production in western Canada has provided producers with an alternative cash crop to use in their rotations and livestock feeders with a new feed ingredient. AAFC analysts believe U.S. Farm Bill provisions provide a major challenge for the dry pea industry in Canada. They are closely watching whether dry pea eligibility for the loan program will lead to sharp increase in U.S. dry pea production.

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CA4016	This Week in Canadian Agriculture, Issue 9	3/5/2004
CA4015	Affirmative Injury Ruling on U.S. Pizza	3/3/2004
CA4014	This Week in Canadian Agriculture, Issue 8	2/26/2004
CA4013	Grain and Feed Annual Report	2/24/2004

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