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Report Highlights:

U.S. BEEF EXPORTS TO CANADA WORTH \$300 MILLION ANNUALLY READY TO RESUME UNDER VERIFICATION PROGRAM * CERTAIN CANADIAN BEEF EXPORTS TO THE U.S. AFFECTED BY TEMPORARY RESTRAINING ORDER * HOG HERD NUMBERS SHOW FRACTIONAL DECLINE, BUT BREEDING HERD UP AGAIN IN THE MAJOR LIVE HOG EXPORTING PROVINCES * ALBERTA CONTINUES ITS PUSH AGAINST THE WHEAT BOARD MONOPOLY * US WILL APPEAL WTO RULING ON CANADA WHEAT BOARD * C\$85 MILLION PROGRAM TO FIGHT PLUM POX VIRUS AND ASSIST TENDER FRUIT GROWERS...

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.

U.S. BEEF EXPORTS TO CANADA WORTH \$300 MILLION ANNUALLY READY TO RESUME UNDER VERIFICATION PROGRAM: Certification procedures are finally in place to permit the entry of U.S. beef into Canada. Although Canada did not prohibit imports of U.S. boneless beef (from cattle under 30 months) following the Washington State BSE incident in December 2003, no U.S. beef could be exported to Canada until the details of a certification procedure meeting Canadian import requirements could be established. Trade may soon resume now that the Beef Export Verification (BEV) program is in place (for more information go the USDA's Agricultural Marketing Service's website: www.ams.usda.gov). Under the program, U.S. exporters may ship products from cattle younger than 30 months of age, including boneless and bone-in beef, and various processed products such as ground beef and salami. In addition, amendments to Canadian import regulations will permit U.S. exports of boneless and bone-in meat from bison younger than 30 months of age, as well as boneless meat from sheep and goats younger than 12 months of age. Canada also amended live animal import regulations for veal calves to permit imports of young U.S. calves for feeding. Previously, only U.S. calves for immediate slaughter were permitted.

EXPANDED LIST OF IMPORT-ELIGIBLE CANADIAN BEEF PRODUCTS AFFECTED BY COURT ORDER: A U.S. District judge issued a temporary restraining order preventing the importation of Canadian beef products on the expanded list of products announced April 19 until an injunction filed by R-CALF is heard in court. The expanded list (developed in relation to BSE minimal risk policies) would have permitted the imports of bone-in beef, ground beef, and other processed beef products from Canada in addition to certain boneless beef products currently allowed. The injunction hearing is scheduled for May 11, 2004. The Canadian Cattlemen's Association issued a statement that it does not expect this development to impact the larger issue of the U.S. proposed rule for importing live cattle and other beef products. USDA is currently studying the thousands of public comments received on that issue. R-CALF United Stockgrowers of America is a national non-profit cattle association representing cow/calf producers and independent stockers and feeders.

HOG HERD NUMBERS SHOW FRACTIONAL DECLINE, BUT BREEDING HERD UP AGAIN IN MAJOR LIVE HOG EXPORTING PROVINCES: Statistics Canada's survey of pig numbers on April 1, 2004 showed a fractional decline, 0.1% from a year earlier, 0.4% from the beginning of 2004, but breeding stock numbers showed a 2.1% increase from April 1, 2003. In year-to-year comparisons, Ontario and Manitoba breeding herd numbers on April 1, 2004 rose 4.3% and 3.8% respectively from the year earlier levels. Combined, those two provinces accounted for 90% of the all time high of 7.4 million live hogs exported to the United States in 2003. On March 5, 2004, spurred by rising Canadian live hog exports, the National Pork Producers Council filed for anti-dumping and countervailing duties on Canadian hogs. The applications were made to both the U.S. Department of Commerce and the U.S. International Trade Commission (ITC). On or about May 7, 2004, the ITC is scheduled to issue its preliminary injury determination.

THE WHEAT BOARD PROTESTED: It is Alberta's apparent intention to test the constitutionality of the CWB Act before the Supreme Court. Chairman Ritter told a news conference that farmers could change the monopoly through director elections.

WHEAT BOARD LASHES OUT AT ALBERTA GOVERNMENT OVER GRAIN MARKETING BILL: The Alberta government is spending up to C\$1 million on a misinformation campaign that unfairly discredits the Canadian Wheat Board, board officials charged Tuesday. To counter Alberta's push against its monopoly over Prairie wheat and barley sales, the agency will launch its own campaign to drive home its message that farmers are better off with the board. Alberta is spending hundreds of thousands of dollars on a glitzy PR campaign that is "short on facts and long on fiction," said Ken Ritter, the farmer-elected chairman of the board of directors. The province is expected to pass legislation this spring that would lead to a legal challenge of the board's long-held monopoly. The private member's bill proposes setting up a 10-year province-wide trial that would allow farmers to choose how they sell their grain. (Canadian Press)

US WILL APPEAL WTO RULING ON CANADA WHEAT BOARD: The United States will appeal aspects of a February World Trade Organization ruling that declared the Canadian Wheat Board a legal state-trading enterprise, U.S. Trade Representative Robert Zoellick said Wednesday during testimony of farm trade issues. Canada and the United States each saw victory in parts of the Feb. 10 WTO panel ruling. The decision instructed Canada to change some of its grain handling and shipping policies. The United States has challenged the Canadian Wheat Board, saying the farmer-controlled board has a monopoly on wheat exports that is in violation of international trade rules. Ottawa has not said whether it plans to appeal other aspects of the ruling which found the legislated cap on railway grain freight revenue and treatment of foreign grain were illegal. (Reuters/Agriline)

C\$85 MILLION PROGRAM TO FIGHT PLUM POX VIRUS AND ASSIST TENDER FRUIT GROWERS: Agriculture and Agri-Food Canada is committing up to C\$65 million for costs associated with the sampling, testing and tree removals under a Plum Pox Virus (PPV) eradication plan and will share with the provinces of Ontario and Nova Scotia another C\$20 million in direct assistance to compensate commercial growers for tree removals. PPV is a serious plant disease affecting tender fruit (peaches, plums, nectarines, and apricots) and ornamental varieties. The disease, first detected in areas of Ontario and Nova Scotia in 2000, infects trees and can drastically reduce marketability and crop yields. According to the Canadian Food Inspection Agency, International and Canadian experts believe that PPV can be eradicated in Canada over the next several years.

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