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This Week in Canadian Agriculture, Issue 14 2004

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Report Highlights:

RECORD SETTING PACE FOR CANADIAN CANOLA EXPORTS TO CHINA * FARMERS TURN TO SOYBEANS; LOW WHEAT PRICES HAVE MANY PRODUCERS SEEKING ALTERNATIVE CROPS * FARMER COALITION BIDS FOR HOPPER CARS * GOC TO ALLOW SUPPLEMENTARY IMPORTS TO HELP OFFSET POULTRY SHORTFALL IN BRITISH COLUMBIA * ONTARIO POSTPONES REPEAL OF ACT AFFECTING EDIBLE OIL FOODS * CANADIAN POTATO EXPANSION AND TRADE RESTRICTIONS CITED IN CONGRESSIONAL LETTER

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.

THE CANADIAN FOOD INSPECTION AGENCY has speeded up issuance of phytosanitary certificates for grain export shipments from the west coast. Extra staff has been added after shippers complained that grain movement was being delayed. However just 3 ships were waiting at the west coast Friday.

CANADIAN CANOLA OIL EXPORTS to China in '03-04 are approaching 250,000 tons, already a record and 10 times higher than the 10-year average of 20,590. The previous record was 87,000 tons in '99-00. Exports could reach 400,000 tons in '03-04, according to some trade estimates.

FARMERS TURN TO SOYBEANS; LOW WHEAT PRICES HAVE MANY PRODUCERS SEEKING ALTERNATIVE CROPS: According a recent Statistics Canada report, Manitoba farmers intend to plant significantly more soybeans and slightly more canola this year. Canola acreage is up four per cent from 2003 and is above the 10-year average of 2.3 million acres. Soybeans acreage is estimated at 330,000 thousand acres, an increase of 50 per cent over last year. Total area of farmland that will be seeded this spring is 11.6 million acres.

THE FARMER RAIL CAR COALITION, a group of 15 farm organizations that wants to buy federal grain hopper car fleet, says Ottawa is looking favorably at its bid, which is \$1 for over 12,500 cars. The takeover could be effective at the start of the '04-05 crop year Aug. 1. If successful, the coalition plans to refurbish the 20-year-old cars and increase capacity.

THE INTERNATIONAL TRADE COMMISSION is scheduled to make a preliminary determination on whether Canadian hog imports are injuring, or could injure, the US industry on Friday. If the ruling is affirmative, the Commerce Department will make a decision on a countervailing duty June 11 and anti-dumping Aug. 25. The US National Pork Council applied for duties of 5- 25%.

GOC TO ALLOW SUPPLEMENTARY IMPORTS TO HELP OFFSET POULTRY SHORTFALL IN BRITISH COLUMBIA: International Trade Canada (ITCan), formerly the "trade" part of the Department of Foreign Affairs and International Trade confirms that a supplementary import allocation of 9,000 metric tons has been provided to 7 chicken processors in B.C. who have lost marketable production in B.C. due to avian influenza control measures. The supplementary allocation is effective until June 12, 2004. The global import allocation for 2004 under Canada's chicken TRQ is 70,000 metric tons for all of Canada. ITCan, the industry and the B.C. government will look at the situation again later for the next 8 week period after June 12. The Chicken Farmers of Canada will reportedly allow other provinces (even those in the East) to increase their production allocations to provide additional product for the B.C. shortfall. Flocks testing negative in the control area of B.C. are allowed to be processed and sold. ITCan is also consulting with other segments of the poultry industry to establish supplementary import allocations for other products including shell eggs and broiler hatching eggs.

ONTARIO POSTPONES REPEAL OF ACT AFFECTING EDIBLE OIL FOODS: The Ontario government has introduced Bill 68, Edible Oil Products Repeal Date Amendment Act, 2004 which is designed to delay a law change allowing the sale of certain edible-oil products that resemble dairy products. According to the province, it wants to ensure that consumers and dairy farmers are protected from fraud. Ontario's *Edible Oil Products Act* is a provincial act that places restrictions on soy and other oilseed based food products. For example, the Act does not allow vegetable oils to be added to cheese. The Act also prohibits dairy blends, where vegetable oils are mixed with dairy products to produce food products that look like a dairy product. However, if the product does not contain any dairy products, it can still be sold, but it can not be given a dairy type name, or visually referred to as a dairy product. Thus a soy type "cheese" can not contain any dairy products. If passed, Bill 68 postpones the repeal date of the *Edible Oil Products Act* from June 1, 2004 to January 1, 2005.

CANADIAN POTATO EXPANSION AND TRADE RESTRICTIONS CITED IN CONGRESSIONAL LETTER: Last week, 27 members of Congress wrote Secretary Veneman requesting USDA's assistance in making additional purchases of potatoes and potato products under the "bonus buy" provisions of the Section 32 program. The letter emphasized the flat and declining demand for potatoes and potato products and supply increases due to expanding Canadian production. Also highlighted were the negative trade balance in potatoes and potato products and Canada's continued trade restrictions, which significantly limit U.S. access to the Canadian market (i.e., container size regulations which prohibit bulk potato sales to Canada without a special Ministerial Exemption).

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