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Report Highlights: What's New, EH?...

-Record U.S. Feeder Cattle Exports

-P.E.I. Premier Issues Plea to Consumers to Shun U.S. Potatoes

-Pork Industry to Stop Use of Veterinary Drug

-Food Inspectors Strike Unlikely

-Wheat Board Comments on GM Crops

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. 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.

RECORD U.S. FEEDER CATTLE EXPORTS: Preliminary data from the Canadian Food Inspection Agency show that Canada imported a record number of U.S. feeder cattle during the Northwest Cattle Project's 2000/2001 season (October to March). Imports reached an estimated 204,000 head, up more than 13% from 180,314 head a year earlier. This year marks the fourth year of the program aimed at facilitating imports of feeder cattle into Canada under revised animal health requirements for live cattle entering Canada from participating U.S. states. Following pressure by Ontario cattlemen to be eligible to have feedlots in that province registered under the program, the program was expanded and New York has joined Alaska, Hawaii, Idaho, North Dakota, Montana and Washington as states approved for participation. According to the Canadian Cattlemen's Association, other northeastern states are also showing interest in participating. Montana accounted for about two-thirds of the feeder cattle exports to Canada with the majority of those destined for feedlots in Alberta and Saskatchewan.

P.E.I. PREMIER ISSUES PLEA TO CONSUMERS TO SHUN U.S. POTATOES: In a Toronto television interview, P.E.I. Premier Pat Binns went to bat for his beleaguered potato farmers and urged consumers in Ontario, Canada's most populous province, not to purchase U.S. potatoes at the grocery store. Normal domestic sales and P.E.I. potato exports to the U.S. have been disrupted since the discovery of potato wart on the Island last October. The Premier and the P.E.I. potato industry believe U.S. phytosanitary requirements on P.E.I. potatoes are too strict and have exacerbated a situation which has reportedly caused financial loss to the P.E.I. industry exceeding \$30 million. Mr. Binns appealed directly to Ontario shoppers to make a choice in the supermarket. "Buy Canadian potatoes, (and) leave those U.S. potatoes on the shelf." Binns said. "They can pick up a bag of American potatoes or they can pick up our (P.E.I.) potatoes. We're asking them to think about that." Binns said he is confident Ontario consumers will support Island farmers and stop buying U.S. potatoes.

PORK INDUSTRY TO STOP USE OF VETERINARY DRUG: The Canadian Pork Council (CPC) has advised Canadian hog producers to voluntarily stop using the veterinary drug, Carbadox until Health Canada completes a review of the drug which is commonly used as a premix for swine rations and is an effective treatment for swine dysentery and intestinal disorders. According to the CPC, the drug is licensed for use in Canada and the United States and other countries. In a press release, the CPC stated that Health Canada's concerns with the drug are focused primarily with associated risks to the handlers of the product (such as on farms and in feed mills) as well as potential

environmental impacts. On learning of Health Canada's intentions to propose removing approval of the product, the Canadian Pork Council advised hog producers to stop using the drug, at least until official word comes from Health Canada on further action, which the Pork Council hopes will be very soon. "The Canadian hog industry's Canadian Quality Assurance on-farm food safety program is designed to assure prudent use in swine production of all veterinary drugs", said Edouard Asnong, CPC President. "We are very confident that our regulatory systems and our industry practices promote safe, wholesome pork."

CFIA STRIKE UNLIKELY: According to a spokesperson for the Canadian Food Inspection Agency (CFIA), a strike by 3000 members of the Public Service Alliance of Canada, comprising approximately 1900 food inspectors and 1100 administrative/support staff, is unlikely after the union reached agreement with negotiators on a new contract earlier this week. The union was in a legal strike position on April 16 when their contract expired (CA1052). The next stage in the process is to have the agreement ratified by the union members which observers believe will occur. According to the CFIA, a strike would not have affected agricultural trade with the United States since border operations are designated essential.

CWB WANTS MARKET ACCEPTANCE BEFORE INTRODUCING GM CROPS:

According to *Good Morning Ontario*, "The introduction of GMOs has brought the issue of food safety in the grain industry to an entirely new and complex level," says Greg Arason, president and chief executive of the powerful Canadian Wheat Board. He says that "although many argue that GMOs have a neutral impact on food safety, as grain marketers, we must do business in a world in which many consumers do in fact perceive this as food safety issue." The CWB is seeking to avoid a consumer backlash as U.S.-based biotech giant Monsanto Co. moves ahead with controversial plans to market genetically altered wheat within the next two to four years. The CWB, which recently appeared before a parliamentary committee to voice its concerns, believes Monsanto should wait until Canada's grain inspection system, which currently works by sorting varieties visually, develops a more sophisticated way to detect and segregate types of grain. "I believe that the time has come to look at market acceptance. I think if we all believe that the customer is king, we should build that into our evaluation process," Arason said, adding that failure to consider consumer preferences could be costly.

BANK WILL ACCEPT DAIRY QUOTA AS AN ASSET: According to *Good Morning Ontario*, Bank of Montreal says it has developed a comprehensive dairy farm financial services program that formally recognizes dairy quota as a bankable asset. The new program brings together a wide range of financing options that can be customized to meet the needs of individual dairy farm operations. "Adding dairy farm quota to other farm assets on the balance sheet gives dairy farmers the larger and more valuable pool of assets to use in financing their businesses, and on more flexible terms," said the senior vice-president, personal and commercial banking, Bank of Montreal. "At a time when the dairy industry is consolidating, formally recognizing the value of quota when prices are relatively high also allows farmers who are leaving the business to exit profitability."

USA RICE FEDERATION PARTNERS FOR SUCCESS: The Canadian marketing representatives, Faye Clack Marketing & Communications, Inc., have been busy at work promoting U.S. rice through a number of exciting cross-commodity activities. They have been matching rice with

SUSTA produce, US Catfish, Frank's Red Hot Sauce, New York Wines and California Walnuts. In the 1999/2000 program, a total of 152 newspaper articles have been noted on the subject, reaching over 6.2 million consumers with an editorial value of \$432,927.

USA RICE FEDERATION SPONSOR THE "MILK CALENDAR". The Dairy Farmers of Ontario, Saskatchewan Dairy Foundation, Alberta Milk Producers, Milk Maritime Inc., and Manitoba Milk Producers, each year publish a calendar that is distributed through daily newspapers to 2.7 million households. Over the many years of its publication, this calendar has become an anticipated and much sought after source of new recipes which are developed around the use of milk. The recipes highlight many of the other ingredients used through advertisements and sponsorship. Sponsorship by USA Rice in this calendar has resulted in an average of 20 consumer calls per week, generally consumers interested in recipes and product information; hits to the web site have increased dramatically recording 537,725 hits for March (up 71,800 hits from February).

Did You Know...

That more than 98% of all farms in Canada are family owned and operated? (Source: AAFC).

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CA1061	PMO Announces Creation Of Agricultural Taskforce	4/5/2001
CA1063	This Week in Canadian Agriculture, Issue 14	4/12/2001

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