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Report Highlights:

* Trade Tribunal Decides Sugar Duties Will Remain * Tentative Deal Reached in Lakeside Strike * Pork Council Criticizes EU Trade Offer * CWB Makes Record Sale to Cuba * Conservative MP Urging Subsidies For Canadian Corn * Two Canadian Advisors in Softwood Case Step Away

Includes PSD Changes: No
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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.

TRADE TRIBUNAL DECIDES SUGAR DUTIES WILL REMAIN: The Canadian International Trade Tribunal has renewed anti-dumping duties and countervailing duties on certain sugar suppliers to Canada. Under the five-year review clock, it marks the second time that duties have been renewed on the original 1995 trade case. Refined sugar exports from the United States, Denmark, Germany, the Netherlands, and the United Kingdom will continue to face a Canadian anti-dumping duty. In addition, EU refined sugar exports to Canada will continue to face a countervailing duty. There are some product exemptions from the duties including organic sugar and certain sugar cubes.

TENTATIVE DEAL REACHED IN LAKESIDE STRIKE: The Tyson Foods-owned Lakeside cattle plant in Alberta and its striking union, the United Food and Commercial Workers, have reportedly reached a tentative agreement that workers will vote on this weekend. Ratification by the workers would put an end to the strike that began on October 12, 2005. Normal throughput at the Lakeside plant of about 3,800 head per day has been sharply reduced during the labor dispute. There were plans to increase capacity to 4,700 head per day in the near future.

PORK COUNCIL CRITICIZES EU TRADE OFFER: The Canadian Pork Council (CPC) is critical of the new EU proposals on agriculture in the Doha World Trade Talks. CPC Executive Director Martin Rice said the tariff rate quotas (TRQ) that were established for European pork were very small to begin with, about one-tenth of what would have been using the minimum five percent of domestic consumption guideline. He told reporters that they have not grown in line with European consumption and that the EU offer would leave pork TRQ's at about the level where they are now.

CWB MAKES RECORD SALE TO CUBA: The Canadian Wheat Board (CWB) has recently signed an agreement to sell 100,000 metric tons of Canadian Western Red Spring wheat to Cuba in the 2005/2006 crop year. According to the CWB, this represents the single largest sale to Cuba since 1997 and the highest level since the 1990/1991 crop year. The agreement is valued at approximately \$20 million (CDN) (USD \$17 million) and is three times the most recent five-year average of CWB sales to Cuba (about 37,000 metric tons). The agreement comes on the heels of a large shipment to Cuba in the previous crop year. The CWB is pleased with the agreement and the renewed interest in Canadian HRS by Cuba.

CONSERVATIVE MP URGING SUBSIDIES FOR CANADIAN CORN: According to local news, Conservative Member of Parliament (MP) for Leeds-Grenville Gord Brown is asking for an emergency debate on corn in the House of Commons. Mr. Brown is calling for the debate because he is concerned that corn farmers in his riding are losing money. In addition, there is the concern that the Casco Cardinal plant could shut down if the Canadian International Trade Tribunal (CITT) finds injury from U.S. corn imports, resulting in tariffs on those imports, thereby leading to higher market prices for corn. Rather than imposing tariffs, Mr. Brown is calling for subsidies for domestic corn producers, which would allow local farmers to make money and not force Casco to abandon its plant. The CITT is expected to rule later this month on the possibility of injury to Canadian corn producers from U.S. corn imports. *Post Comments:* In 2004 the OECD determined that the subsidy rate on Canadian corn was 24%, only slightly lower than the U.S. rate of 27% in the same year. Calling for subsidies could raise a warning flag with Canada's trading partners, especially the United States.

TWO CANADIAN ADVISORS IN SOFTWOOD CASE STEP AWAY: According to *the National Post*, Paul Tellier and Gordon Ritchie, two of Ottawa's key advisors on the softwood lumber file, are stepping down from their positions, citing lack of progress as the primary reason they are leaving. International Trade Minister Jim Peterson brought in both men as special advisors on the softwood lumber dispute in March. According to the Minister, despite stepping away from their advisory roles both men would be available to work with Canada's trade negotiators should talks aimed at resolving the dispute resume.

Mr. Tellier has indicated that a negotiated settlement between the two countries is his preferential outcome and has warned against exacting revenge on the U.S. for failing to comply with the recent NAFTA ruling. The Canadian government has recently adopted a more aggressive stance, stating it will not negotiate a win and has made compliance with NAFTA a priority.

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