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## Canada

### Agricultural Situation

### This Week in Canadian Agriculture, Issue 16

**2006**

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**Report Highlights:**

Funding Support for the Canadian Aquaculture Industry Alliance \* Terrorist Arrests Could Speed Fertilizer Regulations \* Strahl Criticizes Supply Management \* CFIA Officials Announced that H5N1 Avian Influenza Not Found \* Canadian Farm Production and Income Rises Slightly on Last Year \* Agriculture and Agri-Food Canada Supporting Flooded Farmland

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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.

### **Funding Support for the Canadian Aquaculture Industry Alliance**

Under the Canadian Agriculture and Food International (CAFI) Program, the Canadian government announced \$940,000 in funding to the Canadian Aquaculture Industry Alliance (CAIA). The CAIA is a national industry association that represents the interests of Canadian aquaculture operators, feed companies and suppliers, as well as provincial finfish and shellfish aquaculture associations to ensure the international competitiveness of the Canadian Aquaculture industry. Through this contribution under the CAFI Program, the CAIA will build capacity to enhance the market share held by Canadian aquaculture companies in priority international markets. The Alliance will also support its members to establish a presence and leverage opportunities in new markets in Europe and Asia. The CAIA will also highlight the safety and quality of Canadian aquaculture products to ensure that foreign consumers understand the benefits of buying Canadian. (Agriculture and Agri-Food Canada)

### **Terrorist Arrest Could Speed Fertilizer Regulations**

The recent arrest of 17 suspected terrorists and the confiscation of three tonnes of ammonium nitrate could prove to be a catalyst in proposed regulations on the sale of the fertilizer, one that enjoys widespread use among Canadian farmers. Following the Oklahoma City bombing, the Canadian Fertilizer Institute adopted security measures to prevent ammonium nitrate from falling into the wrong hands, such as providing fertilizer retailers with a list of red flags to watch for when selling it. However, after these voluntary measures failed to prevent the suspected terrorists from purchasing the fertilizer, these measures might become mandatory. (Western Producer 6/8/2006)

### **Strahl Criticizes Supply Management**

Weeks before the next round of WTO trade discussions in Geneva, Agriculture Minister Chuck Strahl expressed doubt about the future of supply management in Canadian agriculture, "When we stand up and defend supply management at the Doha round and we get outvoted 148 to 1, that position is not sustainable," said Strahl. At a recent regional conference, western premiers and agriculture ministers requested that Strahl change the government's position so not to hurt their export-oriented agriculture industries. (Western Producer 6/8/06)

### **CFIA Officials Announced That H5/N1 Avian Influenza Not Found**

Tests of samples taken from dead birds in Prince Edward Island have come back negative for the deadly H5/N1 strain of Avian Influenza, dismissing fears that the strain might have arrived in North America for the first time. On June 16<sup>th</sup>, the Canadian Food Inspection Agency tested and found that the flock had an H5 subtype. CFIA flew the samples to the National Centre for Foreign Animal Disease in Winnipeg to test for the H5/N1 virus, but was unable to reproduce the virus. CFIA announced that the virus was no risk to people, other animals or the environment. (Canadian Food Inspection Agency)

### Canadian Farm Production and Income Rises Slightly On Last Year

The value of agricultural production rose only slightly in 2005 as a strong decline in the value of inventory change offset rising sales of agricultural products and higher program payments. Sales of agricultural products edged up 3.1% to \$38.5 billion. This level was slightly below the previous five-year average for the period between 2000 and 2004. The increase in sales of agricultural products between 2004 and 2005 was influenced by higher revenues from cattle and calves, which more than offset a decline in revenues from crops and hogs. For cattle, the surge was due, in large part, to the resumption on July 18, 2005, of trade in live cattle (under 30 months of age) with the United States. Cash income for Canadian farm businesses amounted to \$8.4 billion. This stability followed substantial annual fluctuations recorded over the previous five years. (Statistics Canada)

### Agriculture and Agri-Food Canada Supporting Flooded Farmland

Agriculture and Agri-Food Canada is providing a one-time \$15 per acre payment to farmers affected by spring flooding in 2005 and/or 2006. \$50 million has been committed and payments will be made available through AAFC's new Cover Crop Protection Program (CPP) which will help farmers restore and protect flood-damaged soil and improve cash flow in the short term for those affected by excessive moisture and spring flooding. Approximately 2.9 million acres of productive farmland in Saskatchewan and Manitoba were inundated in 2005 and/or 2006. These funds are part of the 2006 federal agriculture budget, which provides an increase of \$1.5 billion in commitments for the farm sector, including investment in biomass science, support for a biofuels strategy, and new opportunities for agriculture through value-added products. (Agriculture and Agri-Food Canada).

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