



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 10/6/2006

**GAIN Report Number:** CA6049

## Canada

### Agricultural Situation

### This Week in Canadian Agriculture, Issue 26

**2006**

**Approved by:**

Lisa Anderson  
U.S. Embassy

**Prepared by:**

George Myles and Darlene Dessureault

---

**Report Highlights:**

Officials Develop Plant Health Protocol for the Potato Cyst Nematodes \* Sales of U.S. Fish and Seafood Growing Faster to Canada than to Japan \* Food Inspection Agency Issues Advisement on Carrot Juice \* Producer Plebiscite on CWB Demanded by New Farm Group \* Major Grain Companies Want In on CWB Discussions \* Alberta Announces \$239M for Bioenergy \* Government Mandated Biofuel Content Might Not Help 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.

**OFFICIALS DEVELOP PLANT HEALTH PROTOCOL FOR THE POTATO CYST NEMATODES:** APHIS and Canadian Food Inspection Agency (CFIA) plant health officials have established a protocol to harmonize their actions and control measures when either of the Potato Cyst Nematodes (PCN) is detected. The aim of the procedures detailed in the protocol is to implement the necessary measures to control the spread of the nematodes while maintaining the status of the pest free areas in both countries and minimizing the disruption to trade. The establishment of the protocol will immediately allow trade between the two countries—which was previously halted due to the detections of these nematodes—to resume for certain articles from areas within Idaho and the province of Quebec. In April 2006, the CFIA implemented a temporary prohibition on the import of all potatoes and soil from Idaho due to the detection of PCN. In mid-August 2006, following the detection of Golden Nematode in Quebec, APHIS announced that it was prohibiting imports of potatoes for seed, consumption and processing from the Province of Quebec and requiring that other restricted articles from Quebec (such as certain nursery products, grains, and other plant material) be free from soil. At that time, Chuck Strahl, Canada's Minister of Agriculture and Agri-Food voiced his concern that the U.S. restrictions on imports of agricultural products from Canada in response to the Quebec nematode finding were much more restrictive than Canadian import controls put in place after the PCN finding in Idaho (see CA6034).

**SALES OF U.S. FISH AND SEAFOOD GROWING FASTER TO CANADA THAN TO JAPAN:** After Japan, Canadian is the No. 2 market for U.S. exports of fish and seafood, but in recent years, sales to Canada have increased at a more rapid rate. Total U.S. fish and seafood sales to Canada during 2005 reached a record at \$681 million, a 5.3% increase over the 2004 level of \$647 million. On a value basis, the Canadian market accounted for 18% of total U.S. exports of edible fish and seafood exports. Japan accounted for 28%, down from 36% of total five years ago. For more information on fish and seafood production and trade in Canada, watch for the post report entitled *Fishery Products Annual*, available later this month on the FAS homepage.

**FOOD INSPECTION AGENCY ISSUES ADVISEMENT ON CARROT JUICE:** The Canadian Food Inspection Agency (CFIA) is advising Canadian consumers to properly store some vegetable juices such as carrot juice that are sold refrigerated, to prevent botulism. Earlier this week, the Food and Drug Administration (FDA) warned American consumers not to drink Bolthouse Farms Carrot Juice, after four botulism cases were linked to the brand. Although the company is known to have marketed products in Canada, the CFIA did not name Bolthouse Farms, Bakersfield, California in its press release, but issued its advisement for all refrigerated vegetable juices.

**PRODUCER PLEBISCITE ON CWB DEMANDED BY NEW FARM GROUP:** A new producer lobby group called Real Voice for Choice hopes to pressure the Canadian government into conducting a producer plebiscite on whether or not changes should be made to the Canadian Wheat Board (CWB). The Canadian government maintains that it was elected on a mandate for change and that this change includes breaking the monopoly powers of the CWB. Real Voice for Choice, which claims to be made up of producers of all political colors, disputes this mandate stating that most Western Conservative candidates kept a low profile on this issue during the election campaign. The federal Minister of Agriculture, Chuck Strahl, has made no comment on whether a plebiscite is a possibility. The federally appointed taskforce that is to present recommendations on how to transition the CWB from a monopoly to a player on the open market is expected before the end of the month.

**MAJOR GRAIN COMPANIES WANT IN ON CWB DISCUSSIONS:** Agricore United, Saskatchewan Wheat Pool, JRI International and Cargill want in on the discussions of potential changes to the Canadian Wheat Board. And they have been making this fact known to Canadian officials. Canada's four major grain companies have stated that while they won't express any views to government on

whether or not the CWB's monopoly should be eliminated, they do feel that their inclusion in the discussions are important, especially in light of the investments the companies have made in infrastructure and local communities. Pro-CWB supporters argue against their involvement stating that this would present a clear conflict of interest as these four grain companies would be in direct competition with the CWB.

**ALBERTA ANNOUNCES \$239M FOR BIOENERGY:** The Alberta government has issued a press release stating its commitment to spending \$239 million dollars over the next five years to strengthening and expanding its bioenergy sector. In the press release, Doug Horner, Alberta's Minister of Agriculture, Food and Rural Development states that this initiative will help position Alberta as a leader in producing renewable energy from organic materials. He also states that the Alberta government believes that the funding will help create new markets and new environmentally-friendly product for the agriculture sector. The money will be used to administer the Renewable Energy Producer Credit program and will provide programs and tax exemptions to distributors who blend biofuels. This money is part of the Alberta Agriculture's nine-point bioenergy plan. More on Alberta's nine-point energy plan can be found at: [www.gov.ab.ca/acn/200610/205970ED0254F-B076-C2E9-E2CC3C88DED5CD10.html](http://www.gov.ab.ca/acn/200610/205970ED0254F-B076-C2E9-E2CC3C88DED5CD10.html)

**GOVERNMENT MANDATED BIOFUEL CONTENT MIGHT NOT HELP GROWERS:** The potential for biofuels in helping Canadian canola and soybean growers is not a straight line according to a study presented by Al Mussell at the George Morris Center annual meeting. The George Morris Center, an independent think tank, had been commissioned by the Canadian Canola Growers' Association to look at the potential impact of biofuels on driving price and demand increases in canola. One of the main conclusions of the study was that, based on Canadian historical levels of fats and oils, a government mandated 2% biodiesel blend requirement could be met, but a 5% biodiesel blend requirement could not. The major change would be, due to a thin supply of the cheaper feedstock of tallow and yellow grease supplied by rendered animals, a price increase for tallow and yellow grease. Only after these products' prices will have risen to levels close to those of canola and soybeans, would canola and soybean sectors see an penetration into new markets. The shortage of tallow and yellow grease will likely not be addressed with imports from the U.S. as there is a post-BSE ban on protein-containing tallow. The complete study can be found on the George Morris Center Home Page at: [www.georgemorris.org/GMC/Home.aspx](http://www.georgemorris.org/GMC/Home.aspx)

Find FAS on the World Wide Web:

Visit our headquarters' home page at <http://www.fas.usda.gov> for a complete listing of FAS' worldwide agricultural reporting.

#### Recent Reports from FAS/Ottawa:

Report Number	Title of Report	Date
CA6048	This Week in Canadian Agriculture, Issue 25	09/29/06
CA6046	This Week in Canadian Agriculture, Issue 24	09/22/06
CA6044	This Week in Canadian Agriculture, Issue 23	09/15/06
CA6043	Fresh Deciduous Fruit (Apples & Pears) Annual	09/18/06
CA6042	This Week in Canadian Agriculture, Issue 22	09/08/2006
CA6040	Canada Connect Program Revised	09/01/2006
CA6038	Livestock Annual	9/06/2006
CA6036	Agricultural Biotech Report	9/01/2006

VISIT OUR WEBSITE: The FAS/Ottawa website is now accessible through the U.S. Embassy homepage. To view the website, log onto <http://www.usembassycanada.gov>; click on Embassy Ottawa offices, then Foreign Agricultural Service. The FAS/Ottawa office can be reached via e-mail at: [agottawa@usda.gov](mailto:agottawa@usda.gov)