



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

**Date:** 8/22/2008

**GAIN Report Number:** CA8061

## Canada

### Agricultural Situation

## This Week in Canadian Agriculture, Issue 24 2008

**Approved by:**

Robin Tilsworth  
U.S. Embassy

**Prepared by:**

Darlene Dessureault & George Myles

---

**Report Highlights:**

\* Canada Confirms 14th Case of BSE \* Canadian Livestock Inventories Continue to Decline  
\* Canada Publishes Volume and Price Triggers for Special Agricultural Safeguards \* Canada's  
Largest Pork Processor Voluntarily Recalls Deli Meat Products Over Food Safety Concerns \*  
FAS 2008 Annual Reports on Biofuels and Biotechnology Now Available

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Trade 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.

**CANADA CONFIRMS 14<sup>TH</sup> CASE OF BSE:** On August 15, 2008, the Canadian Food Inspection Agency (CFIA) confirmed bovine spongiform encephalopathy (BSE) in a six-year-old beef cow from Alberta. It was Alberta's 10<sup>th</sup> case. There were three in British Columbia and one in Manitoba. The animal's birth farm has been identified, and an investigation is underway. The CFIA is tracing the animal's herdmates and examining possible sources of infection. According to the CFIA, the age and location of the infected animal are consistent with previous cases detected in Canada. The case was detected through the Canada's BSE surveillance program and the CFIA said that no part of the animal's carcass entered the human food or animal feed systems. Canada is a Controlled Risk country for BSE, a designation it received in May 2007 by the World Organization for Animal Health (OIE). The finding of this latest case is not expected to affect exports of Canadian cattle or beef.

**CANADIAN LIVESTOCK INVENTORIES CONTINUE TO DECLINE:** Statistics Canada released the July 1, 2008 livestock inventories this week and all classes of livestock, cattle, hogs and sheep recorded lower year-to-year inventories. The cattle herd on July 1, 2008 slipped to 15.2 million head, a drop of 4.3% from that date a year ago while total hog numbers fell more dramatically, down 11.6% from last year to 13.0 million hogs. Sheep declined to 1.1 million head on July 1, 2008, a 3.1% decline over the one year period. Market prices failed to offset escalating feed costs and other input prices reducing profitability that has resulted not only in a contraction in livestock numbers but in the number of livestock producers. StatsCan estimates that the number of farms raising cattle has dropped about 7% during the past three years while almost one in five hog farmers exited the industry in the past year alone. For more information on developments in Canadian livestock production and trade watch for Post's Annual Livestock Report on the [FAS website](#) in early September, 2008.

**CANADA PUBLISHES VOLUME AND PRICE TRIGGERS FOR SPECIAL AGRICULTURAL SAFEGUARDS:** Canada has given notice of the volume and price triggers that will be used to operationalize the World Trade Organization (WTO) Special Agricultural Safeguard (SSG) for Canada's supply-managed products. The Special Agricultural Safeguard is a provision that allows additional duties to be triggered automatically when import volumes rise above a certain level, or if prices fall below a certain level. The Government of Canada has given until September 1, 2008 to provide comments from interested parties in respect to the price and volume triggers specified. The government's notice containing the price and volume triggers for the various tariff lines is available at the following website: [http://www.agr.gc.ca/itpd-dpci/technical/ssg\\_e.htm](http://www.agr.gc.ca/itpd-dpci/technical/ssg_e.htm). The government of Canada first announced its intention to operationalize the SSG on February 7<sup>th</sup>, 2008 (see GAIN report CA8006). These measures will be applicable against imports from the United States if the volume or price triggers are activated. The decision to apply the surtaxes will be done on a case by case basis and require an order in council. For more detail, please see report CA8060 available on the [FAS website](#).

**CANADA'S LARGEST PORK PROCESSOR VOLUNTARILY RECALLS DELI MEAT PRODUCTS OVER FOOD SAFETY CONCERNS:** Maple Leaf Foods, Canada's largest pork processor, announced it is voluntarily recalling about two dozen packaged meat products manufactured at a processing facility in Toronto, as a precautionary measure after some of the products tested for low levels of *Listeria monocytogenes*. The Canadian Food Inspection Agency (CFIA) has issued a public alert and is monitoring the effectiveness of the recall. The incident has caught national attention because Maple Leaf Foods is an important supplier of ready-to-eat deli meats to Canada's major fast food outlets. Canadian public health officials are attempting to determine if the death of an Ontario resident who recently died from listeriosis is linked to the bacteria outbreak at the plant as well as cases of listeriosis reported in other provinces. There is no indication at this time that any of the suspected branded products were exported. The company is also temporarily closing the plant in order to fully reassess all

aspects of its food safety procedures at the facility, including supplementary sanitation of equipment and validation of its testing protocols. Health Canada's [Policy on Listeria Monocytogenes in Ready-to-Eat Foods](#) establishes guidelines for food processors in order to minimize all potential sources of food contamination. Major Canadian food processing plants carry out regular sampling to verify the effectiveness of their sanitation program in controlling L. monocytogenes. Maple Leaf Consumer Foods President Rick Young said in a press release, "We believe it is important to take these broader preventative actions to respond to this situation promptly, comprehensively, and in the best interests of our consumers. We have a strong culture of food safety that these incidents do not uphold, and we are taking every step required to maintain our very high standards."

**FAS 2008 BIOFUELS ANNUAL REPORT NOW AVAILABLE:** The 2008 biofuels annual report for Canada is now available on the [FAS website](#) (report CA8057). The report highlights the necessary federal legislative amendments (Bill C -33) were made to be able to establish a national renewable fuels mandate in the gasoline pool and in diesel fuel by 2010. In addition, the report provides an overview of the federal and new provincial incentive programs which have been introduced to encourage the development of a Canadian renewable fuels industry. The major conclusions of the report are: (1) that imports of corn from the US to feed the growing ethanol production in eastern Canada will continue to fluctuate depending on transportation costs and how much corn is available locally; (2) the availability of feed substitutes and a declining livestock industry limits the growth of corn imports from the U.S.; and (3) north-south trade in co-products has increased. Canada's ethanol production capacity is expected to reach 1.135 billion liters by the end of 2008, a significant jump from the estimated 700 million liters production capacity in 2007. Nevertheless, Canada's entry into the global ethanol market remains distant.

**FAS 2008 BIOTECHNOLOGY REPORT NOW AVAILABLE:** The 2008 biotechnology annual report for Canada is available on the FAS website (report CA8058). This report updates CA7053. 2007/2008 data on crop average sown and crop size dedicated to genetically modified varieties was largely unavailable. Data based on planting surveys suggest that the amount of acreage planted to GM corn and soybeans in Quebec and Ontario in 2008 increased from 2007 levels. In addition, the provincial acreage dedicated to GM crops has also increased in those provinces. In Western Canada, acreage seeded to canola in 2008 also increased from 2007 levels. Sections of this report have been updated to include data on crops submitted for regulatory approval, field trial submissions, and approved biotech crops.

#### Recent Reports from FAS/Ottawa:

Report Number	Title of Report	Date
<a href="#">CA8039</a>	<b>This Week in Canadian Agriculture, Issue 17</b>	06/11/2008
<a href="#">CA8040</a>	<b>China &amp; Mexico Challenge U.S. Exports in Canadian Horticultural Markets</b>	06/12/2008
<a href="#">CA8043</a>	<b>GST/HST and How it Applies to Food/Agriculture</b>	06/12/2008
<a href="#">CA8042</a>	<b>This Week in Canadian Agriculture, Issue 18</b>	06/17/2008
<a href="#">CA8046</a>	<b>This Week in Canadian Agriculture, Issue 19</b>	06/26/2008
<a href="#">CA8048</a>	<b>HRI Report</b>	07/02/2008
CA8049	<b>This Week in Canadian Agriculture, Issue 20</b>	07/11/2008
CA8050	<b>Food Processing Sector Report</b>	07/22/2008
<a href="#">CA8052</a>	<b>This Week in Canadian Agriculture, Issue 21</b>	07/15/2008
<a href="#">CA8053</a>	<b>This Week in Canadian Agriculture, Issue 22</b>	07/31/2008

CA8054	<b>Grain and Feed Quarterly Report</b>	07/31/2008
<a href="#">CA8055</a>	<b>FAIRS Report (Annual)</b>	08/08/2008
<a href="#">CA8056</a>	<b>This Week in Canadian Agriculture, Issue 23</b>	08/08/2008
CA8057	<b>Biofuels Annual Report</b>	08/12/2008
CA8058	<b>Biotechnology Report</b>	08/12/2008
CA8059	<b>Canada Published Special Agricultural Safeguard Price and Volume Triggers</b>	08/18/2008