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Fresh Deciduous Fruit

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Report Highlights:

Present prospects point to lower production in Canada from the 2008 fresh apple and pear crops. All major apple producing regions of the country experienced weather related production problems and pear producers in Ontario ripped out 250 hectares of trees following the closure of the last fruit cannery in the province. Post forecasts Canadian fresh apple production to fall 11% from a year ago to about 360,000 MT and total fresh pear output to decline by as much as 20-25% to about 9,000 MT. In 2007 Canada became the first country in the world to introduce Harmonized Trade System codes to record imports of organic products and this report provides marketing year data for Canadian imports of organic apples from the United States. According to official trade data, Canada imported 4,340 MT of organic apples from the United States during MY2007/08 (July/June). U.S. organic apples accounted for 3.3% of total Canadian fresh apple imports from the United States of 132,561 MT.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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THIS REPORT DOES NOT CONTAIN OFFICIAL USDA DATA**Executive Summary**

* Present prospects point to lower production in Canada from the 2008 fresh apple and pear crops. All major apple producing regions of the country experienced weather related production problems and the closure of the last fruit canner in Ontario resulted in fruit producers in that province ripping out 250 hectares of pear orchards. The plant closing resulted in the loss of market for processing pears. Post forecasts Canadian fresh apple production to fall about 11% from a year ago to about 360,000 metric tons (MT) and total fresh pear output to decline by as much as 20-25% to about 9,000 MT.

* After Mexico, Canada is the No. 2 export market for U.S. apples, normally accounting for about 20% of total U.S. fresh apple exports. For 2008/09, Post forecasts total Canadian fresh apple imports to increase to 180,000 MT, up 8% from 166,585 MT a year ago reflecting increased demand associated with the anticipated production decline in Canada. It is expected that U.S. apple exporters will benefit the most from the increased demand for imported apples.

* In 2007 Canada became the first country in the world to introduce Harmonized Trade System codes to record imports of organic products and this report provides tabulation of the most recent data for Canadian imports of organic apples from the United States and from the world. According to Statistics Canada, Canada imported 4,340 MT of organic apples from the United States during MY2007/08 (July/June) which accounted for 3.3% of total Canadian fresh apple imports from the United States of 132,561 MT.

* Each of Canada's major tree fruit producing provinces operates an orchard replant program designed to assist producers with the removal of older varieties with falling market demand and replacement with newer, popular varieties that are grown under more efficient production systems such as high density plantings. This report summarizes the replant programs in the five apple growing provinces.

* On what has turned out be a prolonged trial basis, Canada deregulated retail package sizes for fresh apples in the late 1990s. In October, 1997, the Canadian Food Inspection Agency (CFIA) implemented a test market for bulk shipment apple sales which eased the restrictions on U.S. bulk apple shipments by allowing imports, or interprovincial movement, in bulk bins weighing up to 200 kg. The policy remains in effect and there are no indications that the policy will be made permanent, or conversely, that the test market will be repealed. Prior to the test market, Canada did not allow imported apples in containers larger than 25 kg unless accompanied by a Ministerial waiver that was only issued when there was a supply shortage in Canada.

Section I. Production

Apples

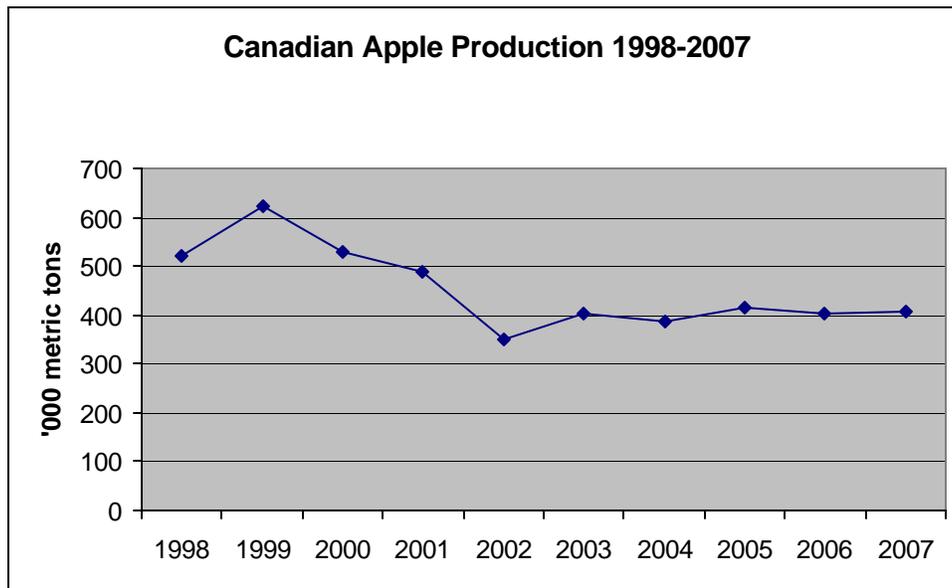
Based on preliminary industry reports, present prospects point to lower production from the 2008 Canadian apple crop. Post forecasts total fresh apple production to fall significantly, probably declining in the neighborhood of 10-12% from a year ago. As a result, MY2008/09 production will reach about 360,000 MT compared to the revised 2007/08 total of 405,543 MT. All major producing regions of the country experienced weather related production problems. The important apple producing region of the Okanagan Valley in British Columbia suffered from early spring cold temperatures and a severe hail storm in July that destroyed a significant portion of the crop. Extremely wet and cool weather in Ontario and Quebec provinces during the important bloom period resulted in lower fruit set and persistent wet weather during the growing period adversely impacted yield potential.

Canada: Fresh Apples, Supply & Distribution			
Marketing Year: July/June			
Quantity: Metric Tons			
	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>
Cultivated Area (ha)	21,649	20,892	19,494
Bearing Area (ha)	19,861	18,110	17,312
Commercial Production	402,772	405,543	360,000
Non-Commercial Production	0	0	0
Total Production	402,772	405,543	360,000
Total Imports	178,317	166,585	180,000
Total Supply	581,089	572,128	540,000
Available for Dom. Fresh Market	459,239	422,476	405,000
Exports (fresh)	36,850	49,652	45,000
For Processing	85,000	100,000	90,000
Total Utilization	581,089	572,128	540,000
Sources: StatCan & Post Estimates			

Declining Bearing Area

According to Statistics Canada data, the apple bearing area during 2008 fell to 17,312 hectares, a 4.4% decline from the 18,110 hectares previous year and a continuation of a downward trend that has seen bearing area slip 13% over the past five years. Changing cultural practices including higher density plantings are a feature contributing to lower area but the trend of declining area also reflects urban pressure on orchard land, smaller producers exiting the industry, and the struggle among remaining apple producers being squeezed by production costs that are increasing at a faster pace than market returns. Of the total 17,312 hectares, Ontario has the largest apple area of 6,232 hectares (36%), followed by Quebec, 4,961 hectares (29%); British Columbia, 3,561 hectares (20%), Nova Scotia, 2,226 hectares (13%), and New Brunswick, 253 hectares (2%).

The chart below illustrates the decline in Canadian apple production during the ten-year period 1998-2007. Production showed an average annual decline of -2.4% during the ten year period.



Pears

Canadian pear area has declined by half since the late 1990s pressured by urban encroachment, negative growth in consumption, and a shrinking processing industry. Ontario accounts for about two-thirds of commercial production followed by British Columbia with one-quarter and other minor production in Quebec and Nova Scotia. Statistics Canada indicates that total bearing area for Canadian pears in 2008 was 917 hectares, a steep decline of 22%. This was a direct response to the announcement in January 2008 by the CanGro fruit canning facility in St. David's Ontario, the last fruit canner in the province, that it would cease operations and not contract processing pears for the 2008 season. Ontario producers responded to the announcement by immediately ripping out approximately 250 hectares of pear trees. The producer organization, The Ontario Tender Fruit Producers, worked with major grocery chains in the province that featured fresh Ontario pears at retail during the fall of 2008 to help the industry cope with surplus supplies of fresh pears that were normally destined for processing. Due to the recent development in Ontario, post projects Canadian pear output to fall almost 25% from a year ago to about 9,000 MT during MY2008/09.

Canada: Fresh Pears, Supply & Distribution			
Marketing Year: July/June			
Quantity: Metric Tons			
	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>
Cultivated Area (ha)	1,281	1,354	1,044
Bearing Area (ha)	1,178	1,182	917
Commercial Production	13,977	11,884	9,000
Non-Commercial Production	0	0	0
Total Production	13,977	11,884	9,000
Total Imports	76,645	77,400	75,000
Total Supply	90,622	89,284	84,000
Available for Dom. Fresh Market	84,060	85,234	83,450
Exports (fresh)	62	50	50
For Processing	6,500	4,000	500
Total Utilization	90,622	89,284	84,000
Sources: StatCan & Post Estimates			

Section II. Trade

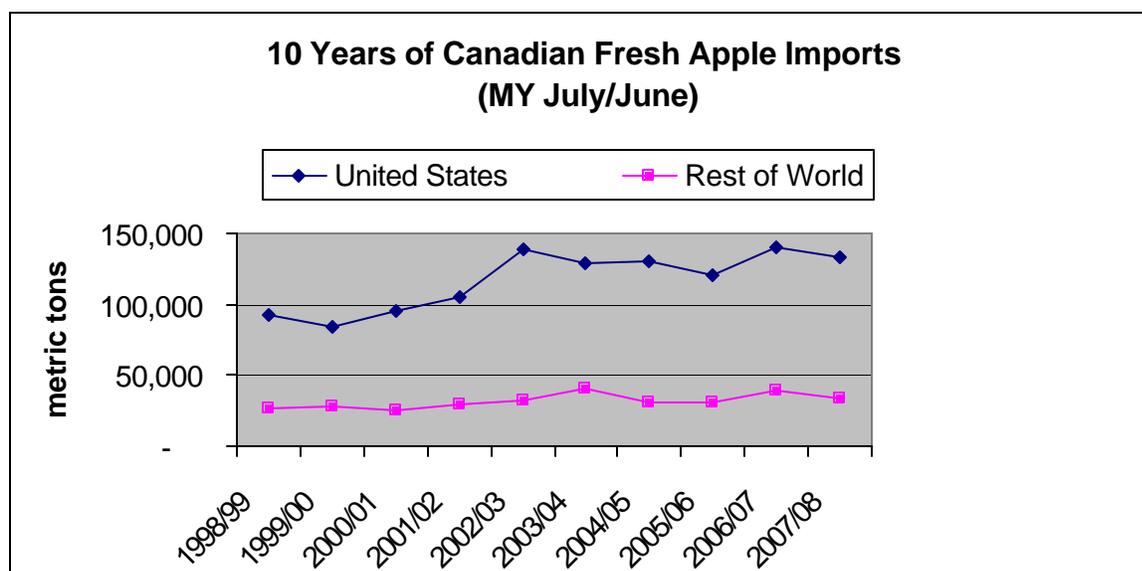
Apple Trade

Canadian fresh apple imports during MY2007/08 were lower from all major suppliers reflecting a small increase in Canadian apple production that year, lower U.S. apple output, higher world prices, reduced demand for processing apples from the United States, and flat demand by Canadian retailers for fresh market apples. After Mexico, Canada is the No. 2 export market for U.S. apples, normally accounting for about 20% of total U.S. fresh apple exports. During MY2007/08, U.S. fresh apple exports to NAFTA partners captured almost half, 48.8% of total U.S. fresh apple exports to the world.

For 2008/09 Post forecasts total fresh apple imports to rebound to about 2006/07 levels. However, this represents an increase of approximately 8% to about 180,000 MT from 166,585 MT a year ago due mostly to increased demand for imported supplies given the anticipated production decline in Canada from the 2008 apple crop. It is expected that increased imports from the United States will make up most of the increase in imports.

Canada: Fresh Apple Imports, by Country				
Marketing Year: July/June				
HS: 080810				
Quantity: Metric Tons				
Country	2005/06	2006/07	2007/08	% change
The World	151,338	178,317	166,585	-7%
United States	120,560	139,661	132,561	-5%
Chile	15,665	21,195	19,198	-9%
New Zealand	7,964	7,481	6,915	-8%
China	3,428	5,832	5,084	-13%
South Africa	3,424	2,958	1,992	-33%
Argentina	164	947	326	-66%
France	127	43	301	598%
All Others	5	199	207	4%

Source: Derived from World Trade Atlas



Apple Imports by Utilization, Organic, Non-Organic

On January 1, 2007 Canada became the first country in the world to introduce Harmonized Trade System codes to record imports of organic products (see CA7002). Statistics Canada began by capturing import trade data for 41 agricultural tariff classifications, mostly fresh fruits and vegetables. The Canadian Border Services Agency coded the import categories in the 2007 version of the Customs Tariff and added an additional 15 organic products on July 1, 2008. The goal is to eventually develop a full list of codes to track both Canadian import and export trade in all significant organic agricultural products. Given that Canada is heavily dependent on imports of organic food from the United States, the tracking of Canadian imports of organics is expected to provide, for the first time, an accurate measure of the importance of U.S. organic food exports in the Canadian market. In the following two tables, using the newly available data, Post has tabulated Canadian imports of fresh apples from the United States and from all countries to determine imports of fresh apples by intended use: fresh market organic, fresh market non-organic, and; fresh for processing.

Canada: Fresh Apple Imports from the United States, By Variety; Organic, Not Organic, for Processing						
Marketing Year: July/June						
Quantity: Metric Tons						
	Description		2005/06	2006/07	2007/08	% chng
United States						
HS Code	080810 Apples, Total		120,560	139,661	132,561	-5%
	Not Organic	N	103,283	107,467	105,698	-2%
	Organic	O	na	2,123	4,340	104%
	For Processing	P	17,277	30,070	22,524	-25%
0808101097	Apples, Gala, fresh, not organic	N	21,167	24,497	29,556	21%
0808101093	Apples, Granny Smith, fresh, not organic	N	26,139	28,218	24,782	-12%
0808101096	Apples, Red Delicious, fresh, not organic	N	20,855	20,078	20,125	0%
0808101099	Apples, fresh, nes, not organic	N	16,202	17,994	17,833	-1%
0808101019	Apples, fresh, nes, for processing	P	2,483	13,339	13,769	3%
0808101092	Apples, Golden Delicious, fresh, not organic	N	18,320	14,603	12,609	-14%
0808101015	Apples, McIntosh, fresh, for processing	P	3,441	3,512	4,393	25%
0808101014	Apples, Idared, fresh, for processing	P	2,614	5,026	3,048	-39%
0808101084	Apples, Gala, fresh, organic	O	na	375	1,029	**
0808101081	Apples, Golden Delicious, fresh, organic	O	na	179	965	**
0808101089	Apples, fresh, organic	O	na	392	947	**
0808101082	Apples, Red Delicious, fresh, organic	O	na	548	795	**
0808101012	Apples, Golden Delicious, fresh, for processing	P	1,786	657	693	5%
0808101083	Apples, Granny Smith, fresh, organic	O	na	629	603	**
0808109000	Apples, fresh, nes, except in their natural state	N	3	2	308	100+%
0808101016	Apples, Red Delicious, fresh, for processing	P	4,843	4,901	306	-94%
0808101095	Apples, McIntosh, fresh, not organic	N	374	510	242	-53%
0808101091	Apples, Empire, fresh, not organic	N	180	1,392	241	-83%
0808101013	Apples, Granny Smith, fresh, for processing	P	2,031	592	195	-67%
0808101017	Apples, Gala, fresh, for processing	P	79	1,481	65	-96%
0808101011	Apples, Empire, fresh, for processing	P	0	562	54	-90%
0808101094	Apples, Ida Red, fresh, nor organic	N	42	173	3	-98%
**Special Note: Import trade data for organic apples began Jan. 1, 2007. Therefore full Mktg Year % change comparison not possible.						
Source of data: Statistics Canada/World Trade Atlas						

The compilation on the previous page shows that of total Canadian fresh apple imports from the United States during MY2007/08 of 132,561 MT, 83% were destined for fresh market comprised of 3% organic (4,340 MT) and 80% non-organic (105,436MT). Imports for processing (22,524 MT) accounted for the remainder, or 17% of total.

Because the recording of imports of organic apple only commenced on January 1, 2007, which is mid-way through MY2006/07, it is not possible to calculate the year-to-year percent change in imports of fresh organic apples. However, tracking the performance of U.S. exports of organic apples to Canada will be facilitated in the future as the historical data series builds.

Canada: Fresh Apple Imports from All Countries, By Variety; Organic, Not Organic, for Processing						
Marketing Year: July/June						
Quantity: Metric Tons						
	Description		2005/06	2006/07	2007/08	% chng
-- The World --						
HS Code	080810 Apples, Total		151,338	178,317	166,585	-7%
	Not Organic	N	134,061	145,161	138,482	-5%
	Organic	O	na	2,999	5,579	86%
	For Processing	P	17,277	30,157	22,524	-25%
0808101097	Apples, Gala, fresh, not organic	N	36,742	43,830	46,392	6%
0808101093	Apples, Granny Smith, fresh, not organic	N	34,490	35,962	31,193	-13%
0808101099	Apples, fresh, nes, not organic	N	22,817	28,388	27,308	-4%
0808101096	Apples, Red Delicious, fresh, not organic	N	20,904	20,180	20,162	0%
0808101019	Apples, fresh, nes, for processing	P	2,483	13,339	13,769	3%
0808101092	Apples, Golden Delicious, fresh, not organic	N	18,509	14,713	12,631	-14%
0808101015	Apples, McIntosh, fresh, for processing	P	3,441	3,512	4,393	25%
0808101014	Apples, Idared, fresh, for processing	P	2,614	5,026	3,048	-39%
0808101084	Apples, Gala, fresh, organic	O	na	825	1,648	**
0808101089	Apples, fresh, organic	O	na	655	1,369	**
0808101081	Apples, Golden Delicious, fresh, organic	O	na	179	965	**
0808101082	Apples, Red Delicious, fresh, organic	O	na	552	803	**
0808101083	Apples, Granny Smith, fresh, organic	O	na	788	793	**
0808101012	Apples, Golden Delicious, fresh, for processing	P	1,786	657	693	5%
0808109000	Apples, fresh, nes, except in their natural state	N	3	2	309	100+%
0808101016	Apples, Red Delicious, fresh, for processing	P	4,843	4,901	306	-94%
0808101095	Apples, McIntosh, fresh, not organic	N	374	510	243	-52%
0808101091	Apples, Empire, fresh, not organic	N	180	1,403	241	-83%
0808101013	Apples, Granny Smith, fresh, for processing	P	2,031	679	195	-71%
0808101017	Apples, Gala, fresh, for processing	P	79	1,481	65	-96%
0808101011	Apples, Empire, fresh, for processing	P	0	562	54	-90%
0808101094	Apples, Ida Red, fresh, nor organic	N	42	173	3	-98%
**Note: Import trade data for organic apples began Jan. 1, 2007. Therefore full Mktg Year % change comparison not possible.						
Source of data: Statistics Canada/World Trade Atlas						

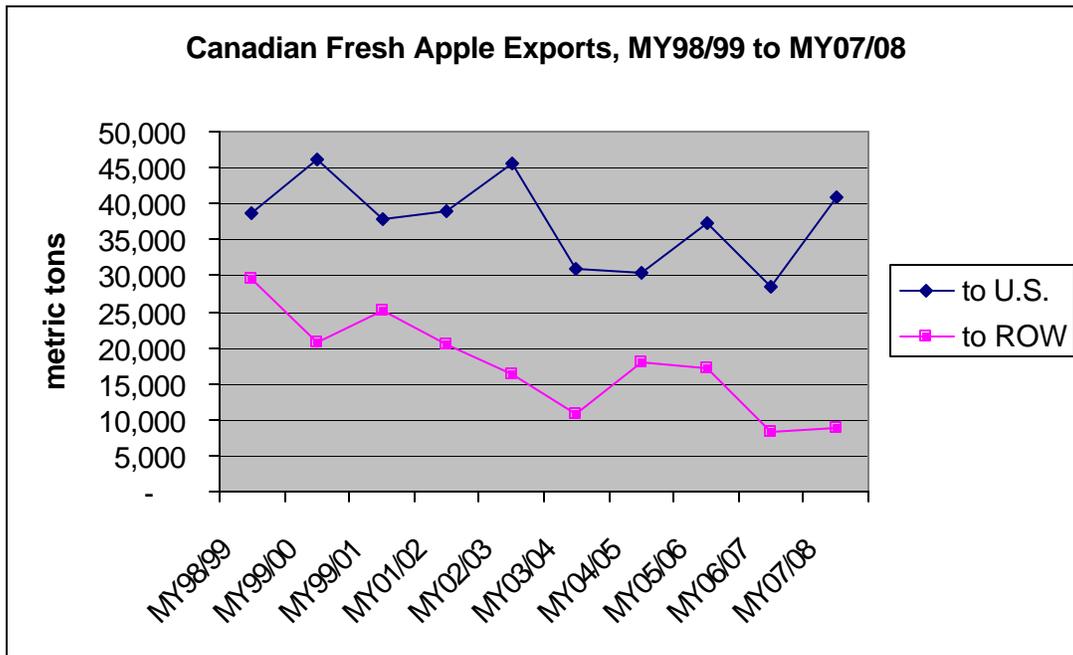
Apple Exports

Canadian fresh apple exports increased sharply in MY2007/08 mostly due to lower production that year in the United States, the largest export market for Canadian fresh apples, normally absorbing about 80% of total. The spurt in exports is in contrast to export levels in recent years that had been trending downward due to increased world competition via newer varieties and on price. Given the forecast for a smaller Canadian crop in 2008, prospects for MY2008/09 are for lower exports, probably in the neighborhood of a 10% decline, to about 45,000 Mt from the MY2007/08 level of 49,652 MT.

Canada: Fresh Apple Exports				
Marketing Year: July/June				
HS: 080810				
Quantity: Metric Tons				
Country	2005/06	2006/07	2007/08	% change
The World	54,593	36,850	49,652	35%
United States	37,374	28,580	40,825	43%
United Kingdom	4,970	2,337	3,364	44%
Mexico	6,593	2,926	3,057	4%
Taiwan	705	567	669	18%
Costa Rica	1,141	508	509	0%
Iceland	393	479	500	4%
El Salvador	21	0	139	100+%
Singapore	0	41	128	213%
Honduras	999	299	100	-67%
Trinidad & Tobago	151	245	81	-67%
All Others	2,247	868	281	-68%
Source: Derived from World Trade Atlas				

10 Years of Apple Exports

The graph below illustrates that although Canadian fresh apple exports to the United States rebounded during MY2007/08, the long term trend is to lower exports due to the lack of Canadian exports to markets beyond the United States.



Pear Trade

The Canadian import market for fresh pears has been relatively flat for many years. Because production from Canadian pear orchards is small, imports of fresh pears account for about 85% of total Canadian fresh pear supply. Despite increased competition from China and Argentina over the past ten years, U.S. fresh pear exporters remain the dominant suppliers of fresh pears to Canada. Canada's exports of fresh pears remain insignificant.

Canada: Fresh Pear Imports, By Country				
Marketing Year: July/June				
HS: 080820				
Quantity: Metric Tons				
Country	2005/06	2006/07	2007/08	% change
The World	74,312	76,645	77,400	1%
United States	41,741	40,480	44,318	9%
China	10,456	12,810	12,823	0%
Argentina	12,621	14,968	10,769	-28%
Chile	2,765	2,463	2,986	21%
South Africa	2,335	2,933	2,889	-2%
Australia	2,143	952	1,694	78%
Italy	612	505	702	39%
Portugal	744	957	421	-56%
Korea, South	586	256	327	28%
New Zealand	164	231	243	5%
All Others	146	89	230	158%
Source: Derived from World Trade Atlas				

Section III. Consumption

A trend of declining per capita consumption of fresh apples and pears continues despite small increases recorded by Statistics Canada during calendar year 2007 for these fruits (see table). In the five years ending 2007, the per capita consumption of fresh apples declined an average of -1.0% and for fresh pears, - 0.6%. The loss of the CanGro fruit canning plant at St. David's, Ontario, the sole outlet for Ontario fresh pears for processing, is expected to increase offerings of Ontario pears on the fresh market at feature prices during the fall of 2008. The development may temporarily boost per capita pear consumption in the current year but by next year domestic fresh pear supplies are expected to fall as growers remove more pear trees from production.

Units: kg per person (retail weight)			
Year	Apples	Pears	
2000	10.80	2.40	
2001	11.41	2.46	
2002	10.53	2.49	
2003	10.66	2.53	
2004	10.03	2.23	
2005	11.13	2.22	
2006	10.04	2.41	
2007	10.16	2.46	

Statistics Canada; Canada Food Stats, June 2008

Prices

Agriculture and Agri-Food Canada monitors fresh apple and pear prices on major Canadian wholesale markets. The daily market prices for Toronto and Montreal are available electronically at Agriculture and Agri-Food Canada's (AAFC) InfoHort website at:

<http://www3.agr.gc.ca/apps/infhort/index.cfm?action=dspDlySlctn&lang=eng>

Canadian retail prices for fresh apples in the past year increased faster than the inflation rate and food prices in general. According to Statistics Canada data, retail prices for 1 kg of fresh apples increased 6.6% in July 2008 from prices during July 2007. During the same comparative period, food prices advanced 3.7% while the overall inflation rate was 3.4%.

Section IV. Policy

No Active Pursuit of Trade Action

Canada's last trade action against U.S. apples was in 2000. From 1989-2000, Canada imposed anti-dumping duties on U.S. Red Delicious apples. The initial case was allowed to expire in early 1994 but under industry pressure, the Government of Canada responded with

a new anti-dumping investigation, which resulted in the renewed application of anti-dumping duties that ran until the Canadian International Trade Tribunal rescinded the duties in early February 2000. Although low profitability and a trend of increasing market demand for imported apples kept the safeguard issue at the forefront for many years, the Canadian industry abandoned the pursuit of trade action as a panacea and began to focus on its own market development strategies including lobbying action for a national replant program to modernize Canada's apple orchards (see next Subsection).

Summary of Orchard Replant Programs

Since July 2007 each of Canada's major tree fruit producing provinces operates an orchard replant program designed to assist producers with the removal of older varieties with falling market demand and replacement with newer, popular varieties that are grown under more efficient production systems such as high density plantings. The following is a brief summary of programs available to tree fruit and grape producers delivered by the federal and provincial governments. Some programs include marketing strategies in addition to orchard revitalization.

British Columbia

In July 2007, the federal government and the province of British Columbia (B.C.) announced a jointly funded C\$8 million (C\$5 million federal, C\$3 million provincial) program to provide for the removal and renewal of plant stock and the development of strategic regional plans. The money is targeted at B.C.'s tree fruit and grape industries to help them adapt to changing markets and the program is designed, according to the official joint press release, to assist the sector in addressing mounting pressures from declining prices and demand, and increasing imports. For tree fruit producers in MY2008/09, available grants are C\$3.50 per tree to a maximum of 2,000 trees per acre for maximum grant eligibility of C\$7,000 per acre.

Ontario

In February 2008, Agriculture and Agri-Food Canada announced that it will provide Ontario growers up to C\$22.3 million for the removal of fruit trees and vines and the development of strategic commodity plans. The Orchards and Vineyards Transition Program (OVTP) will run until March 31, 2011. Producers with a minimum of 1.236 acres (0.5 hectare) of orchards or vineyards will be eligible for the OVTP if they commit to keeping the land available to agriculture for five years. Eligible producers who have removed fruit trees or vines retroactive to October 25, 2007, will receive financial assistance of up to C\$4,000 per hectare to cover some of the costs of removing plant stock. The program also includes up to \$923,000 for Ontario's tree fruit and grape industries to develop strategic plans for the future and research new opportunities.

Quebec

In February 2008, The Government of Canada announced a C\$5.6 million program to help Quebec's orchard and vineyard growers adapt to the market and respond to changing consumer preferences. The federal funding announcement is in addition to C\$12.0 million under a Quebec government program for replanting new varieties of apple trees. Together, the programs will provide for the removal of fruit trees and vines and the development of new strategic commodity plans. The strategic planning component is aimed at assisting the fruit industry to plan for the future and be in a position to take advantage of new market opportunities. The federal contribution will end March 31, 2011. Under the apple tree

component, government financial assistance is capped at C\$6,600 per hectare for the replanting of dwarf apple trees and C\$4,000 for semi-dwarf trees.

Nova Scotia

In February 2008 the Government of Canada announced that it would help Nova Scotia's tree fruit and grape industries by providing up to C\$2.3 million to help growers meet changing market demand. This funding builds on C\$1.5 million in provincial initiatives already in place to revitalize the sectors. The Orchards and Vineyards Transition Program will run until 2011 and will help cover some of the costs associated with removing fruit trees or vines in order to plant new varieties and other crops. The program will also help commodity organizations develop long-term marketing and production plans. The Nova Scotia government had earlier committed C\$1.5 million in support of the tree fruit and grape and wine sectors, including the Honeycrisp Orchard Renewal Program that is helping commercial apple growers in Nova Scotia replant orchards with the popular new variety. Nova Scotia producers who participate in program will have to commit to keeping the land available for agriculture for five years.

New Brunswick

The Orchards and Vineyards Transition Program (OVTP), will run until March 31, 2011, and allow New Brunswick tree fruit and grape growers to apply for funding to help cover some of the costs associated with removing fruit trees or vines, and for industry associations to develop strategic commodity plans. Total funding available is C\$772,680 of which C\$463,680 is federal money.

Section V. Marketing

Package Sizes

On what has turned out to be a prolonged trial basis, Canada deregulated retail package sizes for fresh apples in the late 1990s. In October, 1997, the Canadian Food Inspection Agency (CFIA) initiated a 2 year test market for certain bulk shipment apple sales which eased the restrictions on bulk apple shipments by allowing imports or interprovincial movement in bulk bins weighing up to 200 kg. Under Canadian bulk shipment regulations stipulated in the Fresh Fruit and Vegetable Regulations (Canada Agricultural Products Act), unrestricted commercial import or interprovincial movement of apples was formerly only permitted in containers of 25 kilograms or less. According to the CFIA, the 200 kg test market rule for bulk shipments (imported or interprovincial) has applied for the past ten years. The policy is currently incorporated into the CFIA's current working document entitled *Guidelines for Ministerial Exemptions for Apples* ([Click here](#)). However, Post notes that the test market change has yet to be officially incorporated into the Fresh Fruit and Vegetable Regulations. Conversely, there are no indications that the trial will be ended.

Exchange Rates

Throughout 2007, the Canadian dollar strengthened against the U.S. dollar and for the seven months between October 2007 and May 2008, was at or above the value of the U.S. dollar. As a result of the global financial crisis and a sharp decline in energy prices, the resource-linked Canadian dollar experienced one of its sharpest declines on record during the month of October 2008.

Rates equal the price of 1 U.S. dollar, in Canadian dollars:

Monthly closing, past 13 months

October 2008	1.2045
September 2008	1.0642
August 2008	1.0620
July 2008	1.0240
June 2008	1.0197
May 2008	0.9930
April 2008	1.0072
March 2008	1.0265
February 2008	0.9844
January 2008	1.0038
December 2007	0.9913
November 2007	1.0000
October 2007	0.9447

Source: Bank of Canada