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This Week in Canadian Agriculture, Issue 7 2009

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Report Highlights:

Ag Minister Unhappy with Canadian Wheat Board's Risk Management Practices * Canadian Renewable Fuels Association Pleased with Energy Dialogue * 100% Canadian Dairy Ad Campaign to be Launched

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.

AG MINISTER UNHAPPY WITH CANADIAN WHEAT BOARD'S RISK MANAGEMENT PRACTICES:

The Canadian Wheat Board (CWB) issued a press release on February 17, 2009, stating that they welcome further review of the Canadian Wheat Board's risk management practices. The press release was in reaction to statements made by Canadian Agriculture Minister Gerry Ritz after he tabled the Canadian Wheat Board's 2007-2008 Annual Report in the House of Commons on February 11, 2009. While the Canadian Wheat Board's 2007-2008 annual report shows a record \$72.5 billion in earnings from sales of wheat, durum and barley, it also recorded \$90 million in losses against the board's contingency fund. This loss, due to the board hedging against up-front producer options as commodity prices fell, has caused Minister Ritz and other critics to question the CWB's risk management policies. While the CWB explained that the hedging losses were a result of the volatile commodities market in 2007-2008, they acknowledge that their current practices were inadequate for dealing with the new reality of a more volatile commodities market. A new consultant has been hired to review the new strategies developed to deal with the new market environment. The press release issued by the Canadian Wheat Board in response to Minister Ritz's comments is available on the [CWB website](#).

CANADIAN RENEWABLE FUELS ASSOCIATION PLEASSED WITH ENERGY DIALOGUE: Following U.S. President Barack Obama's visit to Canada, the Canadian Renewables Fuels Association (CRFA) issued a press release applauding the clean energy dialogue between the president and Canadian Prime Minister Stephen Harper. On February 19, 2009, the two leaders established a senior-level U.S.-Canada Clean Energy Dialogue that will cooperate on several critical energy science and technology issues, including (1) expand clean energy research and development, (2) develop and deploy clean energy technology, and (3) build a more efficient electricity grid based on clean and renewable generation. United States and Canadian officials are to meet in the coming weeks to launch the Clean Energy Dialogue. Advanced biofuels are undoubtedly part of the strategy, but the agreement goes beyond biofuel technologies to include technologies such as carbon capture and storage (CCS) technologies and smart grids. More information on the energy agreement can be found on the [Conservative Party website](#).

100% CANADIAN DAIRY AD CAMPAIGN TO BE LAUNCHED: Canadian dairy farmers are planning to kick off an aggressive marketing strategy in the next few weeks. They will be launching a new "100% Canadian Milk" branding program which will feature Lulu Bell, the Dairy Farmers of Canada's Little Blue Cow logo. A mass media campaign will be launched and will include television ads, billboards, retail promotion, web visibility and public relations activities. The goal of the media campaign is to educate the Canadian public on how what the little blue cow logo stands for – dairy products made with 100% Canadian dairy ingredients. Dairy Farmers of Canada feel the timing of the initiative is right in light of recent government initiatives such as the new rules on the standard that must be met for a product to be labeled "Product of Canada", as well as a new consumer focus on food safety due in part from recent food recalls such as dairy products from China. The success of the campaign will be determined, in part, on whether Canadian consumers are willing to pay a premium for goods with the logo, especially during this economic downturn.

Exchange Rate: Noon rate, February 20, 2009 (Bank of Canada): U.S. Dollar = C\$1.2541

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