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Approved by:

Robin Tilsworth
U.S. Embassy

Prepared by:

George Myles & Darlene Dessureault

Report Highlights:

*AgMin Ritz Asks Livestock Industry to Monitor Impact of U.S. Country of Origin Labeling Legislation * Quebec Pork Plant is First to be Approved to Export to the EU * Sow Cull Program Extended* Canola Biodiesel Feedstock and Pulse Research Funding Awarded

Includes PSD Changes: No
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Trade Report
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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.

AGMIN RITZ ASKS CANADIAN LIVESTOCK INDUSTRY TO MONITOR IMPACT OF U.S. COUNTRY OF ORIGIN LABELING LEGISLATION: Following a meeting March 13, 2009 with U.S. Agriculture Secretary Tom Vilsack, Agriculture Minister Gerry Ritz was interviewed by the pork industry news program *Farmscape*, concerning U.S. Mandatory Country of Origin Labeling (COOL) legislation. The final rule on COOL took effect on March 16, 2009 and Ritz told the media that he "came away from the meeting not really assured that they had an end game in sight. That's a bit disconcerting that we go through six months of angst... and not know at the end of the six months what will happen." Ritz reiterated on a conference call from Washington that Canada's World Trade Organization (WTO) challenge of U.S. COOL, a challenge that was suspended when the COOL interim rule was published, is "idling at the curb, ready to go." Ritz said the "sky is not going to fall" noting the final rule being implemented is one that Canada negotiated with the former U.S. administration. However he termed Secretary Vilsack's voluntary measures the "fly in the ointment". Ritz told the Regina Leader Post, "I made it clear our government will continue to work very closely with Canadian livestock producers to make sure they are treated fairly under our standing trade agreements. The minister is recommending that Canadian food exporters subject to COOL keep data on its effects. *COMMENT: Canada's livestock industries have already begun encouraging their producers and members to document the impact of COOL on market prices and trade.*

QUEBEC PORK PLANT IS FIRST TO BE APPROVED TO EXPORT TO THE EU: Quebec pork processor Les Aliments Lucyporc, Yamachiche, Quebec is the first Canadian integrated pork packer to earn approval to export pork to the European Union (EU). Jurgen Preugschas, President of the Canadian Pork Council (CPC), the national organization representing hog producers, told the farm press, "The registration of Les Aliments Lucyporc plant is not just a great opportunity for the company, but for the entire Canadian hog industry since this plant is the first of what we expect will be several Canadian pork processing plants to be approved for export to the European Union." Preugschas added, "Given the recent rise of protectionist sentiments in the U.S. during its economic downturn, the Canadian pork industry, which depends on exports for well over half of its output, needs this and other opportunities to further diversify its exports away from the U.S." In a media interview, Martin Rice, Executive Vice-President of the CPC said, "With Country of Origin Labeling (COOL) we've been really confronted with serious uncertainty over the United States as the market that we've had over decades being our primary market. While we are not giving up entirely on that trade, there's definitely been a serious dent in what has been, under NAFTA, an open trade situation so we really do need export alternatives." *COMMENT: The Canada-EU Veterinary Equivalency Agreement was signed at the Canada-EU Summit on 17 December 1998. In April 2005, Canada and the EU agreed to mutually recognize the equivalence of the majority of each other's domestic food safety measures for pork, under the Canada-EU Veterinary Agreement. The importation of pork products into the EU is controlled through Tariff Rate Quotas.*

SOW CULL PROGRAM EXTENDED: Agriculture Minister Gerry Ritz announced this week that the federal government will extend the time period covered by the [Cull Breeding Swine Program](#) to provide additional assistance to hog farmers. The C\$50 million Cull Breeding Swine Program was announced in February 2008, with the objective of reducing the national breeding herd size by up to 10 per cent. Originally, claims for culled breeding swine were covered between November 1, 2007 and November 30, 2008. The initial date has now been changed to include breeding swine culled between August 1, 2007 and October 31, 2007 (to allow a 3 month earlier program start up date). Producers have until June 30, 2009 to make claims for breeding swine culled during this period. In the press release, Minister Ritz said, "Some pork producers made tough business decisions to reduce their herds before this program started. We're changing the program to make sure those producers get the support they deserve." *COMMENT: For more information on production and trade developments in Canada's hog*

industry, click [here](#) to see the recent Post report entitled the Semi-Annual Livestock and Products Report on the FAS website.

CANOLA BIODIESEL FEEDSTOCK AND PULSE RESEARCH FUNDING AWARDED: The Canadian government has announced federal funding for two research programs, one related to biodiesel research and the other to pulse industry research. The funding is coming out of the Agricultural Bioproducts Innovation Program (ABIP), a federal funding program designed to create synergy between Canada's universities, industry and government in order to leverage resources, reduce costs, and accelerate progress towards the commercialization of bioproducts and bioprocesses. One-million dollars was given to the Sustainable Cropping System Platforms for Biodiesel Feedstock Quantity (SBQQ) research network. The funds will be used to carry out a series of experiments, conducted across the major soil zones and ecoregions of Western Canada, to determine the most effective ways to increase canola production. The Pulse Research Network (PURENet) was awarded 5.3 million dollars to continue research in developing solutions for using pulses to develop value-added food, feed, and industrial bioproducts. PURENet's research focuses on bioproduct development, the sustainable production of crops, and feed development. More information on the ABIP program is available at the following websites: [ABIP](#).

Exchange Rate: Noon rate, March 19, 2009 (Bank of Canada): U.S. Dollar = C\$1.2325

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