



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 3/5/2001

GAIN Report #CA1035

Canada

Trade Policy Monitoring

The Impact of the Potato Wart on Canadian Potato Exports 2001

Approved by:

Norval Francis

U.S. Embassy, Ottawa

Prepared by:

George Myles

Report Highlights: The outbreak of potato wart on Prince Edward Island (P.E.I.) in October 2000, and the subsequent U.S. ban on P.E.I. potato imports, has had far reaching negative impact on total Canadian fresh potato exports during the disease crisis. Any speculation that Canada's other potato producing provinces would move to fill the void in exporting to the United States, has been put to rest with the release of recent trade data showing sharp declines in export volumes to the United States from other provinces in the first two months of the ban. Potato exports to the United States from New Brunswick, Ontario, and Quebec in the first two months of the disease outbreak in P.E.I. fell 6%, 22%, and 15% respectively from the same period a year ago.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Ottawa [CA1], CA

Impact of Potato Wart on Canadian Exports to the United States

The outbreak of potato wart on Prince Edward Island (P.E.I.) in October 2000, and the subsequent U.S. ban on P.E.I. potato imports, has had far reaching negative impact on total Canadian fresh potato exports during the disease crisis. Any speculation that Canada's other potato producing provinces would move to fill the void in exporting to the United States, has been put to rest with the release of recent trade data.

Statistics Canada data show that total Canadian fresh potato exports to the United States during the November/December period of 2000 (the first two months of the disease crisis) fell 36% from the comparable period a year earlier. However, the sharp decline in Canadian exports is not limited to Prince Edward Island. The practice among potato shippers in other provinces to buy P.E.I. potatoes in 50 lbs. bags for re-packing for export, has been curtailed with adverse affect on exports to the United States from other provinces, especially those in eastern Canada. Western provinces do not traditionally export significant quantities of fresh potatoes to the United States.

Potato exports to the United States from New Brunswick, Ontario, and Quebec in the first two months of the disease outbreak in P.E.I. fell 6%, 22%, and 15% respectively from the same period a year ago. In the early weeks of the outbreak, the uncertainty as to the phytosanitary requirements for moving P.E.I. potatoes to other provinces for the repack market, which was linked to Canada's objection to U.S. phytosanitary requirements related to potato wart, precluded Canadian potato shippers from participating fully in the busy holiday season market in the U.S. northeast.

Canada: Fresh Potato Exports to the United States (seed + tablestock)				
Selected Period: November - December, 1998-2000				
Quantity: MT				
HS 0701	Nov-Dec	Nov-Dec	Nov-Dec	2000 as %
	1998	1999	2000	1999
Province				
All Provinces	73856	74050	47296	-36%
New Brunswick	25020	24443	23061	-6%
Ontario	9252	10447	8171	-22%
Quebec	5124	6830	5817	-15%
Prince Edward Island	22182	22186	3007	-86%
Manitoba	1760	2663	1722	-35%
Alberta	6164	4918	2919	-41%
Saskatchewan	3251	786	910	16%
British Columbia	1082	1755	1668	-5%
Newfoundland	0	0	0	
Nova Scotia	21	22	21	-5%
Source: Derived from World Trade Atlas				

In addition, western U.S. potato production regions harvested a large crop in 2000 and quantities

of these potatoes are believed to have moved into traditional P.E.I. markets in the U.S. Northeast. From 22,186 metric tons in Nov./Dec. 1999, P.E.I. exports to the U.S. were reduced to zero (with the exception of the offload of two containers to Puerto Rico) during the last two months of calendar year 2000.

Historical Calendar Year Exports to the United States

Calendar Year Canadian Potato Exports to the U.S.				
HS 0701				
Quantity: MT				
				2000 as %
	1998	1999	2000	1999
Province				
-All Provinces-	469,530	412,678	364,946	-12%
New Brunswick	136,562	120,372	107,260	-11%
Prince Edward Island	110,508	95,591	76,829	-20%
Alberta	77,836	77,056	68,576	-11%
Ontario	65,897	45,578	48,572	7%
British Columbia	12,055	11,276	20,915	85%
Quebec	31,148	25,601	20,832	-19%
Manitoba	13,395	20,617	14,695	-29%
Saskatchewan	21,449	16,362	7,193	-56%
Nova Scotia	680	225	74	-67%
Newfoundland	0	0	0	
Source: Derived from World Trade Atlas				

Additional Potato Wart Background:

On January 2, 2001 Canada requested NAFTA consultations with the United States with respect to U.S. restrictions on imports of potatoes from Prince Edward Island. USDA announced the prohibition of potato imports from P.E.I. on October 31, 2000 following confirmation by the Canadian Food Inspection Agency of the presence of potato wart disease on the island. A team of international scientific experts is meeting in Europe in early March 2000 to assess Canadian control measures with regard to the disease.

Prince Edward Island's Agriculture Minister, Mitch Murphy announced a C\$15 million potato diversion program last month to help compensate Island growers suffering financial loss associated with the potato wart crisis. The P.E.I. potato industry claims losses to date exceed C\$25 million. The provincial government's diversion plan is designed to remove up to 3 million hundredweight of potatoes from the marketplace at \$5 a hundredweight. Murphy said the program under which producers can compost potatoes, is meant to get some much-needed cash

flow back into the industry and relieve the problem of warehouses full of potatoes. According to the local Island press, over 200 applications have already been filed with the P.E.I. Potato Board from farmers anxious to participate in the province's diversion plan. A federal farm aid supplement of \$500 million for Canadian agriculture announced last week contained no special provisions for P.E.I. potato producers.

See Related GAIN Reports:

CA0180	Potato Wart Summary and Update	11/14/00
CA0181	This Week in Canadian Agriculture, 32	11/16/00
CA0186	This Week in Canadian Agriculture, 33	11/30/00
CA1031	P.E.I. Producers Donate Potatoes to Food Banks	03/1/01

Find Us on The Web:

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

Contact: FAS/Ottawa e-mail: usagr@istar.ca