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This Week In Canadian Agriculture, Issue 24 2000

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Report Highlights:

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And More...

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled 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. Substantive issues and developments are generally also reported in detail in separate reports from this office.

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.

CWB MINISTER CALLS CWB SECTION 301 INVESTIGATION "MISDIRECTED":

This report highlights Canadian reaction to the North Dakota Wheat Commission's 301 petition addressed to the practices of the CWB. CWB President and CEO, Greg Arason, attributes the trade action to election-year politics. Goodale, Minister responsible for the CWB, says that the Canadian government will defend the board vigorously and completely. (For more information, see GAIN report CA0144).

VANCLIEF AT S. DAKOTA STATE UNIVERSITY NAFTA CONFERENCE: Federal Agriculture Minister Lyle Vanclief will be the co-keynote speaker at the South Dakota State University's NAFTA Conference, along with State Governor Janklow. The conference will be held September 28-29, and will deal with Canadian/US agricultural trade issues emerging from NAFTA. Topics to be discussed include export subsidies, import quota management transparency, domestic subsidies and their relationship to production, as well the establishment of sanitary and health rules. Other speakers include: John Thune (member of US House of Representatives, R-SD), Jesse Ventura (Governor of Minnesota), Clay Serby (Saskatchewan Minister of Agriculture and Food), Roseann Wowchuk (Manitoba Minister of Agriculture and Food), Brian Oleson (Professor of Agricultural Economics, University of Manitoba), Bob Friesen (President, Canadian Federation of Agriculture, Ottawa), and Don Dewar (President, Keystone Agricultural Producers, Winnipeg).

GOVERNOR VENTURA VISITS SASKATCHEWAN: A Saskatchewan Government September 18 news release reported that Governor Ventura attended International Development Days, a conference sponsored by the Saskatchewan Trade and Export Partnership, the Canadian International Development Agency and the Alliance of Canadian Manufacturers and Exporters. "Saskatchewan and Minnesota have a very strong trading relationship, but I believe that we can increase our trading volumes with Minnesota." Premier Roy Romanow said. Exported goods and services totaled C\$691 million to Minnesota in 1999. "More of Saskatchewan's exports go to Minnesota than to China, our second largest offshore market," the premier said. Governor Ventura's visit illustrates the strengthening relationship between Saskatchewan and the mid- western U.S. states. In August, Saskatchewan became an affiliate member of the Midwestern Legislative Conference, a regional association of state legislators who address issues of common interest including agriculture, economic development, transportation, trade corridors and relations with Canada. Romanow and Ventura witnessed the signing of several agreements that demonstrate the strong relationship between Saskatchewan and Minnesota, including one that strengthens economic cooperation, as well as a

private-sector business contract

CANADA STRIKE THREAT WORRIES ITALY'S GRAIN TRADE: According to a September 18 Reuters news report, Italian grain shippers expressed concern on Monday over a threatened strike by grain workers at the key Canadian port of Thunder Bay. "If the strike lasts a few days, there could be no impact," said one trader. "However, if the strike goes on for weeks, it could cause delays." Nearly 94 percent of grain workers at Thunder Bay voted late on September 17 in favor of a strike that would halt a hefty share of Canadian wheat and canola exports at the height of the harvest season. A strike could take place 72 hours after notice was served. Large volumes of Canadian grain for Italy are loaded at Thunder Bay in the spring and summer, Italian traders said. Italy is a traditional buyer of Canadian durum for use in pasta and breadmaking and Canada Western Red Spring, a high-protein wheat used in bakery products. Italy imported 273,000 tonnes of Canadian durum in 1998/99, down from 374,000 in 1997/98, according to the Canadian Wheat Board, Canada's powerful grain exporter.

CANADIAN CROP CONDITIONS: According to the September 18 edition of Agriweek, some harvesting resumed late last week across western Canada, after a general shutdown was caused by rain in the first week of September. However many fields will be too soft to support equipment even after the grain is dry. Some crops were being taken off with high moisture. Prairie-wide the harvest is about 40% done, little changed from a week earlier. Work in Manitoba is approaching 60%, but barely a third has been done in the other two prairie provinces. Frost has hit virtually all areas in the past two weeks, and along with the rain there has been significant downgrading of later crops. On a prairie-wide basis it still appears that wheat and canola quality will be above average, but the supply of feed wheat may rise and production of malting-quality barley may be less than the usual proportion. Frost is also a concern in Ontario, where most corn and soybean crops continue to lag normal development. Many counties need warm, frost-free weather until the third week in October. The lateness of the season may negatively affect winter wheat acreage for 2001.

GOC DEFENDS BIOTECHNOLOGY AGAINST SIERRA LEGAL DEFENCE FUND: On September 7, 2000 the Government of Canada issued its response to the Sierra Legal Defence Fund's petition under the *Auditor General Act*, which contained a series of four questions and six suggested measures relating to genetically modified organisms, specifically in relation to sustainable development in Canada. A summary of the petition questions, suggested measures, and the Government of Canada response is outlined in the report. (For more information, see GAIN report CA0145).

MINISTER ANNOUNCES OPENING OF TRADE OFFICE IN HIROSHIMA, JAPAN: Canadian Trade Minister Pierre Pettigrew announced the official opening of a new trade section in Canada's Honorary Consulate in Hiroshima, Japan. Canada's Ambassador to Japan, Leonard J. Edwards, presided over the opening ceremony in Hiroshima, attended by local government and private sector leaders. Yearly bilateral trade between Canada and Hiroshima prefecture is roughly C\$760 million. (For more information, see GAIN report CA0146).

SASKATCHEWAN INVESTS IN HOG PROCESSING PLANT: The Saskatchewan

government has invested C\$1 million in World Wide Pork of Moose Jaw through the province's Agri-Food Equity Fund. Formerly Tai-Wan Pork, World Wide Pork specializes in hog slaughtering and specialty cuts for Asian markets, particularly Japan. Established by Saskatchewan Agriculture and Food in 1994, the Agri-Food Equity Fund promotes development in diversified agricultural processing and is mandated to invest up to C\$20 million in new or expanding Saskatchewan agri-value businesses. Since 1995, the Fund's investment in agri-value processing has reached almost \$12 million, which has been invested in 18 different processing companies. Almost 40% of this investment has been made in the food processing industry. The latest investment in the pork processing facility is aimed at getting the plant's production to its full slaughter capacity of about 300,000 hogs per year. World Wide Pork is among the top four hog processors in Saskatchewan after Mitchell's Gourmet Foods, Harvest Meats and Maple Leaf Meats. According to Saskatchewan Agriculture, the province's processors account for about 5% of total Canadian pork exports.

TAX DEFERRAL FOR CATTLE SALES IN DROUGHT AREAS: Agriculture and Agri-Food Minister Lyle Vanclief has announced that cattle farmers in Alberta and Saskatchewan who sell all or part of their breeding livestock due to severe drought conditions will be eligible for tax deferral provisions. Weather conditions in the southern regions of these provinces reduced forage crop yields this year. Affected farmers and ranchers are eligible for a one-year tax deferral on sales of breeding livestock which means they can sell cattle this year and replace them next year without the sale proceeds being taxable as 2000 income.

RISING RESTAURANT RECEIPTS GOOD NEWS FOR U.S. EXPORTERS: According to the Canadian Restaurant and Foodservice Association (CRFA), commercial restaurant receipts in Canada are getting a boost from a healthy economy and increased disposable incomes. The CRFA is the national organization representing restaurants, fast food establishments, hotels, caterers, institutions, and foodservice suppliers. In the first five months of 2000, the CRFA reported an increase in total foodservice sales of more than 6% above the same period a year ago. U.S. sales to Canada's foodservice sector are a driving force behind increasing U.S. exports of consumer-oriented agricultural products to Canada. Canada's largest trade show targeting the foodservice industry is the Canadian Food and Beverage Show (Toronto; February 18-20, 2001). FAS is endorsing the show again this year and heading up the USA pavillion. Recruitment will commence shortly. Watch [This Week in Canadian Agriculture](#) for further details or contact Marilyn Bailey, Agriculture Marketing Specialist, at the Office of Agricultural Affairs in Ottawa (contact info below) or visit the special web site that the CFRA has established for the upcoming foodservice show at: www.fbshow.com Canada's other foodservice show, serving mostly the foodservice equipment sector, is Hostex (Toronto; October, 15-17, 2000).

Did You Know....? Canada's 4,000 Christmas tree farms ship more than half of their annual production out of the country and 99% of the exports go to the United States.

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