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Report Highlights:

Ritz Delivers Blunt Message to South Korea on Acceptance of Canadian Beef * Canada Beef Export Federation Congratulates Minister Ritz on Trade Mission to Korea * Bio-Diesel Plant Receives Province of Manitoba's First Bio-Diesel License

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.

RITZ DELIVERS BLUNT MESSAGE TO SOUTH KOREA ON ACCEPTANCE OF CANADIAN BEEF:

Following his trade mission to Seoul, Canada Agriculture Minister Gerry Ritz spoke to the media by telephone late last week and said he told South Korean Trade Minister Kim Jong-hoon and Agriculture Minister Chang Tae-pyong that unless the Asian country lifted its ban on Canadian beef soon that Canada would initiate a WTO challenge. Ritz told reporters, "We left the Koreans with no illusion that the FTA is on hold until we get this beef issue worked through and resolved to Canadian producers' benefit," Ritz told reporters in a conference call. "It makes it very difficult to move forward when they want to just hive off a very significant part of our exports and hold it in abeyance while we move forward with all smiles and chuckles. I'm not prepared to do that . . . the (Canadian) government in Ottawa is not prepared to do that." Ritz said he thinks South Korea's refusal to accept Canadian beef stems from protectionism of its own industry. *Comment: South Korea banned all Canadian beef and cattle following Canada's initial detection of BSE in May, 2003. During 2002, the full year prior to international BSE bans on Canadian beef, South Korea was the third most important export market for Canadian beef. Exports in 2002 totaled almost 12,500 metric tons valued at C\$45 million. Canadian beef exports have not yet recovered to their pre-BSE level and renewed access to the South Korean beef market would be welcome news for the Canadian beef industry. South Korea agreed to accept U.S. beef about a year ago (see USDA [release 0106.08](#)) and Canadian beef exporters thought that a South Korea/Canada beef agreement would soon follow. Canada and South Korea launched free trade agreement negotiations in July 2005.*

CANADA BEEF EXPORT FEDERATION CONGRATULATES MINISTER RITZ ON TRADE MISSION TO KOREA:

In a press release, the Canada Beef Export Federation (CBEF) has congratulated Agriculture Minister Gerry Ritz on his recent trade mission to Seoul, South Korea. "We congratulate Minister Ritz and support him in his efforts to pursue access for Canadian beef and veal in this very important market," said Gib Drury, Board Chair of the Canada Beef Export Federation. "In traveling to Korea and directly engaging with senior Korean Government officials, Minister Ritz has demonstrated the very serious intent of the Canadian Government to resolve this impasse in a non confrontational manner. Our Korea office reports that all of the importer representatives who met with Minister Ritz were very impressed with the Minister's assertive and business-friendly attitude. This will stand our industry in good stead upon our return." According to Drury, the CBEF believes that South Korea will only resume trade in Canadian beef if Canada takes the steps of increasing pressure by initiating WTO dispute settlement consultations. In this light, CBEF believes that Canada must initiate the consultations - a process that can be halted should Korea agree to the resumption of trade. Drury said that Canada's strategy must be dedicated to the goal of resuming trade in all edible beef and veal products derived from cattle less than 30 months of age in the spring of 2009. *Comment: The CBEF is the non-profit export promotional agency for Canada's beef industry. It is headquartered in Calgary, Alberta and has overseas offices in Japan, South Korea, Taiwan, China, Hong Kong and Mexico.*

BIO-DIESEL PLANT RECEIVES PROVINCE OF MANITOBA'S FIRST BIO-DIESEL LICENSE:

Greenway Biodiesel, a subsidiary of Speedway International, is Manitoba's first bio-diesel plant to be licensed under Manitoba's stringent bio-diesel regulations brought in on December 15, 2008. Under Manitoba's Biodiesel Regulations, manufacturers intending to sell biodiesel in Manitoba or who produce 15,000 liters or more of biodiesel annually are required to have a commercial license. The regulations also establish requirements for (1) reporting and record keeping by license holders, (2) fuel-quality standards for biodiesel and blends of biodiesel and petroleum diesel fuel, and (3) penalties for failing to comply with a biodiesel license. Greenway Biodiesel's production capacity is 20 million liters of bio-diesel a year. The Bio-diesel Regulations were established in anticipation of a provincial mandate of 5% for bio-diesel, which would require production of an estimated 40 million liters of bio-diesel. While the mandate was originally thought to be introduced in 2010, there have been some indications that it

could come in as early as late 2009. The bio-diesel produced by Greenway Biodiesel will not be consumed by the local market but will instead be exported to Minnesota in the United States. Greenway Bio-diesel uses waste vegetable oil provided by local restaurants to make its bio-diesel.

Exchange Rate: Noon rate, March 27, 2009 (Bank of Canada): U.S. Dollar = C\$1.2325

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