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## Canada

### Agricultural Situation

### This Week in Canadian Agriculture, Issue 12 2004

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**Report Highlights:**

\* CROP OUTLOOK POINTS TO LESS WHEAT, MORE OILSEEDS, CORN AND SOYBEANS \*  
CANADIAN CATTLEMEN ELECT NEW PRESIDENT \* UPDATE ON AVIAN INFLUENZA IN BRITISH  
COLUMBIA \* COMPETITION BUREAU CLEARS MAPLE LEAF FOODS ACQUISITION OF  
SMITHFIELD CANADA AND ITS SUBSIDIARY, SCHNEIDER CORPORATION...

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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.

*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.

**CROP OUTLOOK POINTS TO LESS WHEAT, MORE OILSEEDS, CORN AND SOYBEANS:** For 2004-05, Agriculture and Agri-Food Canada forecasts total Canadian production of grains and oilseeds to increase by 4%, to 61.6 MMT, versus the 10-year average of 58.5 MMT. In western Canada, seeded area is expected to shift out of wheat and coarse grains into oilseeds. In eastern Canada, a sharp drop in winter wheat area is expected to be offset by an increase in corn and soybean area. Total exports of Canadian grains and oilseeds are projected to increase marginally, with higher coarse grain and oilseed exports offsetting lower wheat exports.

**CANADIAN CATTLEMEN ELECT NEW PRESIDENT:** Stan Eby, a Kincardine, Ontario cattle producer, was elected President of the Canadian Cattlemen's Association (CCA) at the association's Annual General Meeting held March 25 – 26 in Ottawa. Neil Jahnke assumes the position of Past President. Hugh Lynch-Staunton of Lundbreck, Alberta was elected Vice President of CCA. At the annual general meeting, the CCA Board of Directors reconfirmed the organization's ongoing actions and efforts in recovering markets for the Canadian beef industry. The Board also reaffirmed the CCA's position of advocating free and open markets, with little or no direct government assistance other than during times of severe disaster, and reaffirmed its advocacy for an integrated North American market for free trade in beef and cattle. The CCA is calling on the Federal Government to take a strong advocacy role in re-opening markets and developing new markets for Canadian beef and cattle by ensuring that all necessary resources are devoted to these issues.

**UPDATE ON AVIAN INFLUENZA IN B.C.:** On March 31, 2004 The Canadian Food Inspection Agency (CFIA) confirmed that avian influenza was present on a farm in the control area of British Columbia's Fraser Valley. As well, the CFIA has quarantined a second farm in the control area on the basis of preliminary test results. The CFIA first confirmed avian influenza on February 19, 2004 in the Fraser Valley area of southern British Columbia. There is a 5 km high-risk region, a 10 km surveillance region and a wider control area. A number of countries already have import restrictions on Canadian poultry (China, Japan, South Korea, Hong Kong, Singapore and the Philippines). This week the European Commission said its ban was limited to products of B.C. Of total Canadian poultry and poultry meat exports during 2003 of \$100 million, the Asia Pacific region accounted for about \$13 million. The major share of Canadian live poultry and poultry meat exports in 2003 was to the United States (\$70 million). Canada placed temporary import restrictions on live poultry and poultry products from Texas on February 23, 2004 following the confirmation of highly pathogenic avian influenza in the state (see CA4016).

**COMPETITION BUREAU CLEARS MAPLE LEAF FOODS ACQUISITION OF SMITHFIELD CANADA AND ITS SUBSIDIARY, SCHNEIDER CORPORATION:** Canada's Competition Bureau will not challenge Maple Leaf Foods Inc.'s acquisition of the shares of Smithfield Canada and its subsidiary, Schneider Corporation. Last year, Maple Leaf Foods, Inc. announced an agreement with Smithfield Foods, Inc. of Smithfield, Virginia to purchase Schneider Corporation of Kitchener, Ontario for \$378 million (approximately C\$515 million).

Schneider, a value-added pork processor is a historically strong brand in Canada and is one of Canada's largest producers of premium branded quality food products, specializing in packaged processed meats, poultry and grocery products. Maple Leaf Food's pork division is the largest processor of hogs in Ontario and Western Canada with a current capacity to slaughter over 6.5 million hogs annually, representing almost 30% of total Canadian hog slaughter. The Competition Bureau is an independent government enforcement agency.

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