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## **Canada**

### **Agricultural Situation**

## **This Week in Canadian Agriculture, Issue 26 2000**

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#### **Report Highlights:**

##### **What's New, EH?**

- \* ONTARIO CORN GROUP SITS OUT CORN CASE**
- \* MINISTER GOODALE DEFENDS CWB, CONSIDERS U.S. PASTA EXPORTS TO CANADA IN RESPONSE TO 301 PETITION**
- \* AGRICULTURE VOWS TO SEEK MORE DOLLARS FOR FARMERS**
- \* CANADIAN BEEF EXPORTS TO MEXICO ON PACE TO MORE THAN DOUBLE**

**And More...**

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.

**ONTARIO CORN GROUP SITS OUT CORN CASE:** The September 21 Western Producer reports an Ontario Corn Producers Association spokesperson states Manitoba corn producers have a "legitimate case" against price-depressing imports of American corn, but Ontario farmers have no interest in waging the same battle. While Ontario has seen imports of U.S. corn increase, the spokesperson said industrial development in that province, including investment in plants that process grain corn into ethanol and pharmaceuticals, was an outgrowth of the promise of a guaranteed supply of corn. Further investment is expected. The Manitoba situation differs from Ontario because it does not have as extensive an industrial base that requires corn as a feed stock.

**MINISTER GOODALE DEFENDS CWB, CONSIDERS U.S. PASTA EXPORTS TO CANADA IN RESPONSE TO 301 PETITION:** On September 28, CWB Minister Ralph Goodale and Agriculture Minister Lyle Vanclief spoke at the S. Dakota State University NAFTA conference. Minister Goodale defended the CWB against the NDWC's section 301 petition, and blamed increased EU and US subsidies for exacerbating the oversupply of and resulting low prices of grains in the world market. The minister's response to the 301 petition was strident: "... we must find a response -- maybe your (U.S.) pasta exports (75% of which flow into Canada)." Minister Vanclief discussed the benefits of the NAFTA; defended the CWB against the NDWC's section 301 petition; noted the growing importance of Canada as a market for US corn, barley and wheat; mentioned the benefits of the Record of Understanding; and discussed Canada's agricultural trade position. To view the full text of Minister Goodale's remarks, see GAIN report CA0154. For Minister Vanclief's remarks, see GAIN report CA0153.

**AGMINISTER VOWS TO SEEK MORE DOLLARS FOR FARMERS:** The September 21 Western Producer reports Agricultural Minister Lyle Vanclief promised Ontario farmers last week that he will work to "close the gap" between American farm support levels and Canada's "much lower" payments. In response to a question concerning whether the objective was parity with the United States, Vanclief responded, "That is the direction. But it would not be realistic to say we will reach it." Farm leaders have suggested a Canadian commitment to approximately double support to \$4 billion would be sufficient; Vanclief insisted parity with U.S. farm support would cost \$18-20 billion.

**UPCOMING STUFFED MOLASSES RULING COULD CLOSE PLANTS:** The October 4 Calgary Herald reports on the potential implications for Alberta farmers of next months' ruling on whether Canadian exports of stuffed molasses are permitted under trade law. "It's basically just one outfit in Canada that's doing it. The rest of us are just sitting on the sidelines watching," said Bruce Webster, General Manager of the Alberta Sugar Beet Growers. Webster indicated other Canadian companies would be unlikely to process the product due to the \$10 million investment required for a plant that could separate the mixture once imported into the U.S. The Windsor, Ontario-based company, Canadian Blending and Processing, has said it will be forced to close its plants in Canada and Michigan if the U.S. decides to impose tariffs on liquid sugar. The closures would result in 120 layoffs.

**AG TRADE NEGOTIATOR OUTLINES POSITION ON DOMESTIC AG SUPPORT:** At the September 29 WTO Agriculture Committee Special Session in Geneva agriculture negotiator, Suzanne Vinet highlighted the fact that Canada has reduced its support levels and has moved towards non-distorting forms of support. Canada supports the Cairns Group proposal on domestic support, which calls for the elimination of trade-distorting support, and envisions working towards reductions in trade-distorting amber and blue-box support mechanisms. To view the full text, see GAIN report CA0155.

**CANADIAN BEEF EXPORTS TO MEXICO ON PACE TO MORE THAN DOUBLE:** Agriweek reports a combination of improved transportation links, the NAFTA agreement and last year's imposition of Mexican anti-dumping duties on certain types of U.S. beef, have spurred Canadian beef exports to Mexico. Official Canadian trade data show that in the first six months of 2000, Canadian fresh and frozen beef sales to Mexico outstripped Canada's beef exports to Japan making Mexico the second most important export market for Canadian beef after the United States. By-mid year 2000, Canadian fresh and frozen beef exports to Mexico were already at a level equalling total 1999 sales and the trade anticipates total beef exports to Mexico to exceed 23,000 metric tons product weight this year, more than double the 10,375 metric tons exported to Mexico last year.

**ONTARIO CORN PRODUCERS ENVY QUEBEC FARM INCOME PROGRAM:** Ontario corn producers see that Quebec producers are weathering depressed commodity prices far better than their other Canadian counterparts. According to research from the Guelph University, Quebec grains and oilseeds producers are the best off in the country. For the past three years, Quebec has spent C\$457.3 million on farm supports. Ontario spent C\$194.8 million. To view the full text, see GAIN report CA0156.

**NEW PROGRAM TO ENCOURAGE HACCP APPROACH IN FOOD INDUSTRY:** Minister of Agriculture and Agri-Food Lyle Vanclicf has announced a \$C11.4 million program to help national associations and groups who produce, market, distribute and prepare food to develop food safety risk management strategies using the Hazard Analysis Critical Control Point (HACCP) approach. The partnership program with the food industry is called the Canadian Food Safety Adaptation Program (CFSAP) and, according to Vanclicf, will help the agri-food industry to develop enhanced food safety management systems and help maintain Canada's reputation nationally and internationally as a reliable supplier of safe food and beverages. The program will be delivered by the

Canadian Food Inspection Agency which will allocate funding to eligible groups. Federal monies will come from the C\$60-million-per-year Canadian Adaptation and Rural Development (CARD) fund which was introduced in the 1995 federal budget and is a major part of the Government of Canada's approach to assist agriculture and the agri-food sector in becoming more competitive in the global marketplace.

**Did You Know....?** Canada is the number two market for U.S. agricultural exports, behind Japan. The 30 million Canadians consume as many American agricultural products as the 370 million residents of the European Union. On a per capita basis each year, every Canadian consumes 220 dollars worth of American agricultural products?

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CA0154	Goodale Defends CWB at SDSU NAFTA Conference	10/03/2000
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