

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

Voluntary - Public

**Date:** 7/22/2009

**GAIN Report Number:** CA9043

## Canada

**Post:** Ottawa

### **This Week in Canadian Agriculture Issue 23**

**Report Categories:**

Agricultural Situation

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**Report Highlights:**

Independent Report on the 2008 Listeriosis Outbreak Released; Canadian Cattlemen's Association Leary of Federal Traceability Initiative; Canadian Government to Provide Tax Deferral for Producers Forced to Sell Breeding Stock due to Feed Shortages; Commercial-Scale Canadian Biodiesel Plant Announces Grand Opening; Canada, European Union End Biotech Trade Dispute

**General Information:**

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**INDEPENDENT REPORT ON THE 2008 LISTERIOSIS OUTBREAK RELEASED:** On July 21, 2009, the Independent Investigator on Listeria, Sheila Weatherill, released her report on the August 2008 listeriosis outbreak. The final report, the culmination of a six-month probe into a listeriosis outbreak which resulted in 22 deaths and originated from contaminated meat processed out of a federally inspected Maple Leaf Foods plant in the summer of 2008, found that poor communication and poor management between various levels within industry and government contributed significantly to the severity of the outbreak. This includes communication between

personnel at Maple Leaf Foods, between Maple Leaf Foods and federal meat inspectors, and between the various government organizations and levels of government. The reports stop short of any criminal or civil liabilities. Also, Canada's Minister of Agriculture, Minister Gerry Ritz, during a press conference given after the report was released, ruled out any compensation for families who lost loved ones as a result of the outbreak. Among the 57 recommendations aimed at correcting deficiencies in the system are; (1) meat companies should be required to inform the federal government of any suspected health threats, (2) plants that routinely test positive for bacteria should be tested more frequently than others, (3) an effort should be made to design easy to clean meat processing equipment, and (4) Canada's chief public officer should be given the lead role during outbreaks of food-borne illnesses. Maple Leaf Foods president Michael McCain responded to the report through a press conference stating that the report is understandably tough and contains strong recommendations for improving the Canadian food safety system. He also stated that that Maple Leaf Foods has, since the outbreak, transformed every aspect of its food safety system and imposes the highest standard of food safety in its products. An [executive summary](#) of the probe into the outbreak is posted on the Canadian Food Inspection Agency (CFIA) web site, as is the [complete report](#).

**CANADIAN CATTLEMEN'S ASSOCIATION LEARY OF FEDERAL TRACEABILITY INITIATIVE:** The Canadian Cattlemen's Association (CCA) has responded to the Canadian federal government's plans for a new, mandatory Livestock Auction Traceability Initiative, first reported on in This Week in Canadian Agriculture, Issue 22 (July 14, 2009). On July 10, 2009, the federal government announced it would provide up to C\$20 million to upgrade handling system in facilities to keep track of individual animals as they are mixed with other herds in auction marts and other facilities such as community pastures. The CCA is concerned that this new system will simply burden the already struggling industry with more costs to comply with additional regulations and not provide any additional returns for the effort. There is also skepticism about whether or not such a system could be in place by 2011, the target date set by the federal government. In a press statement, CCA President Brad Wilderman stated that if the government truly wants to assist industry, they should focus on helping the industry overcome the trade barriers that resulted from BSE and which continue to plague the industry. The federal government defends its initiative by stating that foreign markets are demanding improved traceability systems and that Canada must respond to this demand. Consultations with industry on how to implement this initiative are planned.

**CANADIAN GOVERNMENT TO PROVIDE TAX DEFERRAL FOR PRODUCERS FORCED TO SELL BREEDING STOCK DUE TO FEED SHORTAGES:** On July 22, 2009, the Canadian government released a press statement announcing that livestock producers in drought affected areas of Alberta and Saskatchewan, and in designated areas in Manitoba affected by excessive moisture, will be eligible for tax deferral on breeding livestock sold due to these conditions in 2009. Too much rain in the eastern part of the prairies and not enough moisture in the western part have led to poor pastures and below normal forage production for good feed. According to the press release, the deferral allows eligible producers in designated areas to defer income tax on the sale of breeding livestock for one year to help replenish breeding stock in the following year. In the case of consecutive years of designation, producers may defer sales income to the first year in which the area is no longer designated. To be eligible, producers must have reduced their herd by at least 15 percent. If the herd has been reduced by between 15 and 30 percent, then

30 percent of income from the net sales can be deferred. If the herd has been reduced by more than 30 percent, 90 percent of income from the net sales can be deferred. These press statements can be viewed on the Agriculture Canada website at the following web addresses: [Alberta](#), [Saskatchewan](#), [Manitoba](#).

**COMMERCIAL-SCALE CANADIAN BIODIESEL PLANT ANNOUNCES GRAND**

**OPENING:** Canadian biodiesel production company Milligan Bio-Tech announced that as of July 20, 2009, its new commercial-scale crush and biodiesel production plant is fully operational. The plant is located in Foam Lake, Saskatchewan, and uses off-grade canola as its primary feed stock. The company's nameplate capacity is 10 million liters per year (MMly). While Saskatchewan currently does not have plans to implement a provincial biodiesel mandate unlike many of the other Western provinces, the federal government is moving forward with its mandate for a two percent renewable fuel content in diesel by 2012. The company has also expressed plans to expand its production into other parts of Western Canada. More about the company can be found on the company website at the following web address: [Milligan Bio-Tech](#).

**CANADA, EUROPEAN UNION END BIOTECH TRADE DISPUTE:** On July 15, 2009, Canada and the European Union (EU) agreed to settle a six-year old World Trade Organization (WTO) dispute over the approval and marketing of biotechnology products. Canada, Argentina and the United States first brought this dispute settlement case against the EU in 2003. The agreement signed by Canada and the EU provides for 'the establishment of a regular dialogue of mutual interest on agriculture biotechnology' but does not require the EU to change its policies. The settlement provides for bi-annual meetings between competent services of the European Commission and Canadian authorities to discuss agricultural biotechnology market access issues. The Canadian government is hopeful that these types of dialogues will help improve market access of Canadian biotechnology products, particularly canola seed, to the EU and help avoid unnecessary obstacles to trade. A copy of the press statement issued by the Canadian government is available at the following web site: [Biotech Dispute](#).