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Voluntary - Public

Date: 3/22/2010

GAIN Report Number: CA0011

Canada

Post: Ottawa

This Week in Canadian Agriculture Issue 06

Report Categories:

Agriculture in the News

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Report Highlights:

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Canadian Milk Cooperative's U.S. Purchases Lead to Record Sales

A year of acquisitions in the U.S. market has helped lead Quebec dairy foods co-operative Agropur to record sales and net earnings of C\$3.1 billion and C\$138 million, respectively. The cooperative's cross-border shopping in fiscal 2009 included Schroeder Milk, in Minnesota, in December 2008; Farmland Dairies' UHT-milk processing plant at Grand Rapids, Michigan, in September 2009; and the Green Meadows Foods cheese plant at Hull, Iowa, in December 2009. Agropur's operations outside Canada now represent an estimated C\$750-C\$800 million in annual sales, or about a quarter of the co-operative's revenues. Moreover, Agropur forecasts that in 2010 their U.S. cheese facilities should produce 50 percent more cheese than their Canadian cheese plants, and twice as much within a few years. The cooperative has 3,533 members and employs 5,225 people at 27 plants and a number of distribution centers and offices across Canada, the United States and Argentina. Agropur produces an estimated 3.1 billion liters of milk per year and markets dairy products under brand names such as Quebon, Oka, Sealtest, Natrel, Island Farms, Yoplait, La Lacteo, Trega and Schroeder.

Crackdown! Farmers Markets vs. Chicken Farmers of Canada

Canadian foodies flock to farmers' markets across the country in search of free-range eggs, but they must move quickly because demand far outstrips supply. This demand for farm eggs has pushed the price of a dozen to about C\$5, roughly the same price charged for organic eggs. The eggs offer smaller producers a good revenue source, but create tension between the small farms that raise them and the egg marketing board that has helped to develop the mainstream egg industry in Canada. Egg farming is governed by a supply management system in Canada, which means provincial egg marketing boards control the number of eggs produced. The eggs produced on farms that hold the quotas are not the most desirable to foodies. Any farmer is permitted to keep 99 laying hens without buying quota, which is worth thousands of dollars. Farmers can sell their eggs from the farm gate without grading them, however, they are forbidden from selling them elsewhere unless they are graded. This is a tough regulation for farmers to meet because grading can be logistically complicated and expensive. This has created a grey market for eggs, resulting in a farmers market crack down by the "egg police" and subsequent imposition of fines.

Forestry Industry Told to Embrace Bioenergy

A new study, released by the Forest Products Association of Canada, on the future of Canada's hard hit forestry sector has produced a roadmap for remaking the industry into a pivotal force in the production of green energy. Experts in the fields of biotechnology, investment banking and carbon pricing provided input and suggestions for the study and made a number of recommendations, including the integration of the production of bioproducts and bioenergy into the existing industry model, a move that could catapult the sector into a role as a green energy leader. The plan calls for existing mills, which produce wood and pulp and paper products, to be transformed into integrated operations with traditional wood production lines alongside production of biomaterials and bioenergy – potentially producing enough power to meet the energy needs of 2.5 million homes. Furthermore the integrated mill model would provide as many as five times the jobs as a stand alone wood production operation.

Clean, Green and Powered by Cow Patties

On an isolated feedlot on the Canadian prairies a cattleman is overseeing a C\$100-million operation that converts manure into energy and fuels an ethanol plant while making feed and high-grade fertilizer. The manure-to-megawatt movement, which he hopes to complete in two years, will convert cattle excrement into green power. The facility will also fuel an ethanol plant, turn out valuable cattle feed, and produce a more efficient cocktail of nutrients to spread on the land. For the biogas plant, they are working with a team of scientists at the University of Alberta. About 20 percent of the feedlot manure is being fed into the dome-like anaerobic digester that functions like a high-tech version of a cow's stomach, turning methane and carbon dioxide to a small power plant linked to the power grid. The plant now produces enough energy to electrify a village of 1,200 people. Biogas from the feedlot will also power an ethanol refinery on the site. There are other manure-based power operations in North America, but observers say this plant will stand out for its size and integration.

Biotech (Bt) Corn Growers Warned to Step Up Refuge Compliance

The Canadian Corn Pest Coalition, which includes academics, extension and research staff, regulators, corn growers' associations and the seed industry, said in a recent release that refuge compliance among Canadian farmers dropped to 61 percent in 2009 from highs of up to 80 percent in 2005. Refuge requirements for insect-tolerant crops such as Bt corn are meant to encourage low levels of survival among insect pests, preventing the pest population from developing resistance by diluting any resistant traits some insects may carry. The coalition notes that the Canadian Food Inspection Agency (CFIA), which regulates novel plant traits, sees the potential for shifting pest status as a key area of emphasis and has asked the providers of the seed technology to set up and put in place corrective action plans to get farm compliance back to acceptable levels. They noted further that the corn industry can expect increased scrutiny, down to the farm field level, by technology providers and the CFIA on refuge compliance. As more Bt traits become available, refuge requirements may become trait-specific and vary significantly, so growers must check with the seed provider on the correct refuge to use. South of the border, however, the U.S.-based Agricultural Biotechnology Stewardship Technical Committee (ABSTC) reported Monday that U.S. corn growers' refuge compliance has "remained stable" from 2007 through 2009.

Is the Milk of Healthier Cows Worth More Cash?

The Canadian Food Inspection Agency (CFIA) is hopeful that appealing to dairy farmers' bottom line will promote the adoption of new standards to protect cows from disease. Canada currently does not have national biosecurity standards for dairy farms, but CFIA is developing standards which they hope to have ready by the end of next year. Poultry and pork producers have boosted biosecurity practices in response to outbreaks of influenza and other potentially catastrophic diseases, but dairy farmers have had less motivation to standardize practices since dairy cows tend to get sick in less devastating ways. The agency expects to spend up to C\$100,000 on a nine-month study on the economic impact of the voluntary standards. The agency plans to examine how adopting the standards would affect farmers' net income. That includes surveying consumers to see whether they would pay more, a process which will be difficult since it isn't easy to quantify the increased value to the product from improved standards. Some producers have floated the idea of linking biosecurity to the made-in-Canada brand through labeling. However, others have noted that this would have more to do with marketing than the quality of milk.

