

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

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What Are You Paying to Give Thanks? – Annual Comparison of the Cost of Thanksgiving Dinner

On November 12, 2010, the American Farm Bureau Federation (AFBF) released its 25th annual calculation of the average cost for a classic Thanksgiving dinner in the United States. The AFBF's informal survey indicated that the average cost of a typical feast for 10 people is \$43.47, up 0.56 percent from the cost last year. Canada celebrated their Thanksgiving in October with similar menu items. Using the AFBF ingredients list FAS/Ottawa calculated the cost of the same Thanksgiving meal for Ottawa. The total cost in the Canadian capital is C\$75.50 or US\$73.91 using the current exchange rate.

Ingredients: Thanksgiving Feast	U.S. Average*	Ottawa, Canada	Percent Difference
	US \$	US \$	
16-pound turkey	\$ 17.66	\$ 34.31	94.30%
Milk, 1 gallon whole	\$ 3.24	\$ 5.56	71.56%
Misc. ingredients**	\$ 3.22	\$ 3.22	0.00%
Cream, 1/2 pint	\$ 1.70	\$ 2.77	62.94%
Rolls, 12	\$ 2.12	\$ 2.05	-3.31%
1-pound relish tray (carrots and celery)	\$ 0.77	\$ 0.51	-33.55%
Fresh cranberries, 12 oz.	\$ 2.41	\$ 2.99	24.09%
Pumpkin pie mix, 30 oz.	\$ 2.62	\$ 7.55	188.07%
Pie shells (2)	\$ 2.46	\$ 3.42	38.88%
Cube stuffing, 14 oz.	\$ 2.64	\$ 5.83	120.76%
Sweet potatoes, 3 lbs.	\$ 3.19	\$ 4.38	37.18%
Green peas, 1 lb.	\$ 1.44	\$ 1.33	-7.49%
TOTAL	\$ 43.47	\$ 73.91	70.04%

* American Farm Bureau Federation press release, November 12, 2010

** No details for this category so same price used.

Exchange rate: US\$1 = C\$1.0215. Bank of Canada, closing rate, November 18, 2010

Indonesia Eases Canadian Import Controls

Indonesia has agreed to recognize Canada's food quality-control system, federal Agriculture Minister Gerry Ritz said in October, meaning shipments of wheat and potatoes won't have to undergo additional and costly testing when arriving at that country's ports. The Canadian Wheat Board, which expects to export about C\$300 million worth of wheat to Indonesia, one of its top five customers this year, said the nation had recently imposed stricter controls on plant imports.

Ritz said in a news release they also signed an agreement with Indonesia to remove trade barriers on Canadian products including seed potatoes, goats and sheep livestock and genetics, and cherries.

Indonesia will use Canada's animal health expertise to build its cattle testing capacity. The minister was in the region for the Asia-Pacific Economic Co-operation agricultural meeting in early November, and also held discussions with Japan about greater access for Canadian beef.

Canada Eyes India Trade Pact

The Government of Canada says free trade agreements are essential to Canada's economic prosperity, rebutting criticism its planned accord with the European Union will put the country at a competitive disadvantage and cost jobs. Reportedly Trade Minister Peter Van Loan is on the threshold of developing another treaty, this time with India, after a joint Canada-India study earlier this fall pegged the benefits to Canada of bilateral trade between the two countries at between C\$6 billion and C\$15 billion. Bilateral merchandise trade with India reached nearly C\$4.2 billion last year with imports to Canada and exports from Canada relatively even. Agricultural trade was around C\$600 million with just about 90% of this being exported from Canada. India, with its many person-to-person ties with Canada, and status as an emerging economic giant, is a perfect fit, Van Loan said. The pair is also attempting to finalize a foreign investment and protection treaty. But the agreement, which should have been signed six months ago, has stalled. India has been reluctant to guarantee it won't use taxation as a form of expropriation.

Low Level Presence (LLP) Policies Needed to Reduce Food Security Risks

With the ability to detect trace amount of itinerant genetically modified crop having moved beyond industry's ability to deliver, maintaining zero-tolerance policies opens a new threat to disrupting trade and creates a perfect storm to increasing food security risks. This is one of the messages delivered by Dennis Stephens, Secretary of the International Grain Trade Coalition, whose members include the North American Export Grain Association (NAEGA) and the National Grain and Feed Association (NGFA). Mr. Stephens was one of the speakers at a Grain Industry Symposium held in Ottawa in mid-November. Mr. Stephens cited the Canadian flax shipments to the European Union in 2009 that were found to have trace amount of CDC Triffid, a GM flax, as the poster child for the need for an LLP policy. The event destroyed Canada's biggest flax market, and Canada is still trying to regularize flax trade with Europe. Mr. Stevens urged governments to embrace the changing attitudes towards biotech and to realize that the risks of food security issues will increase if the issue of LLP is not addressed. He emphasized that this is not simply an exporter risk. The importer shares the risk as the European Union found out when trying to manage the costs recalling the products that the problematic flax found its way into. Steve Tierney, an Assistant Deputy Minister at Agriculture and Agri-Food Canada stated that the development of an LLP will have to be done by both industry and government and that global policies are needed to decrease food security risks. He stated that the Canadian government is updating its international engagement strategy to biotech and is currently reviewing its domestic policy to LLP.

Canadian Wheat Board (CWB) Elections Results Unlikely to Result in Open-Market

As in 2008, this year's Canadian Wheat Board (CWB) director elections have the potential to significantly impact the future direction of the Canadian Wheat Board. There are fifteen directors on the board, five are politically appointed, and ten are farmer-elected. This year, five of the farmer-elected positions are open, which means that it is possible that the single desk supporters may find themselves in a minority position on their board. The tone of this year's elections, however, is very different from the tone in 2008. During the 2008 CWB elections, the Conservative government was aggressively pursuing its agenda to end the CWB's single-desk control over barley and there were a number of organizations that formed to promote the pro-choice candidates. According to the Canadian farm press, the focus on the open market option is absent this year. None of the candidates have publically endorsed the open-market. Eight of the thirteen candidates have openly stated that they support the CWB's single desk while the other five candidates have spoken in more neutral terms about the need for a change that would allow the CWB to be more efficient and flexible. Blair Rutter, executive director of the Western Canadian Wheat Growers Association, attributes this to a general feeling that the move to an open-market is not best achieved through the CWB board, but instead through a legislative change. The Conservative government, as in 2008, does not hold a majority government and would have difficulty finding allies' among the opposition parties to support legislation that would dismantle the Board's monopoly. With rumors of a possible spring election, there is speculation that the Conservative government may introduce the legislation as a matter of confidence to try to force an election, knowing the oppositions parties will vote the legislation down. While this is possible, it is unlikely that a Western-specific issue such as the CWB single-desk would be a confidence issue that would trigger a federal election.

Alberta Levy Will Help Promote Beef Products

The Government of Alberta will make regulatory changes to enable a C\$1 mandatory, non-refundable national levy on beef and beef products to support the work of the Canadian Beef Cattle Research, Market Development and Promotion Agency in marketing beef products nationally and internationally. The change was requested by the Alberta Beef Producers (ABP) and the Alberta Cattle Feeder's Association (ACFA). It will be collected through the ABP as a non-refundable levy that will support the national agency's efforts and will expire on March 13, 2013. The ABP and ACFA signed a Memorandum of Agreement (MOA) to implement the \$1 non-refundable levy using ABP's regulatory power under the Marketing of Agricultural Products Act. Amendments to the Alberta Beef Producers regulations will allow the non-refundable levy to be implemented before the end of the year. By making the C\$1 National Beef Check-off a non-refundable component, the National Agency will have a stable funding source for research and market development, which will help beef producers expand their markets and increase sales" says Rich Smith, Executive Director, Alberta Beef Producers. "The beef industry will also be able to collect a levy on cattle and beef imported into Canada, totaling approximately \$800,000 dollars per year, which will in turn help level the playing field for Canadian producers". The ABP and ACFA signed a Memorandum of Agreement (MOA) to implement the \$1 non-refundable levy using ABP's regulatory power under the Marketing of Agricultural Products Act. Amendments to the Alberta Beef Producers regulations will allow the non-refundable levy to be implemented before the end of the year. Prior to April 2010 Alberta had a C\$3 non-refundable check-off, but some cattle producers felt these funds were

not gleaning results so legislation was put in place to end it. With this most recent change, C\$1 will be non-refundable, the other C\$2 refundable upon request. This change is more in line with the requirements in other provinces across Canada.

First Interprovincial Trade Appeal Goes Against Dairy

The first interprovincial trade dispute under new procedures for the Agreement on Internal Trade (AIT) has recently ruled against provisions in the Ontario Milk Act, which prohibits products like spreads and drinks that are less than 50 per cent dairy. The first case to be heard under Chapter 17 of AIT was launched by the four western provinces governments against Ontario. The four western provinces allow the blends in dairy products over 50 per cent, although the products have to be labeled as to what they contain. While Ontario and Quebec simply did not allow imitation dairy blends below that level to be sold. The four western provinces, along with the Vegetable Oil Industry of Canada (VOIC) have "every intention of now going against Quebec," said Sean McPhee, President of VOIC. Under the dispute mechanism rules only one province can be targeted at a time, he noted. While every western province's government had a cabinet minister extol the financial benefits of this ruling for their oilseed producers, in press releases, the actual numbers are hard to pin down, but should run into the hundreds of millions of dollars, predicted McPhee. The figure of \$225 million had been predicted by VOIC a decade ago and "will be a lot more than that now," he predicted. The Summary Panel has given Ontario until February 2011 to bring itself into compliance or else face stiff financial sanctions. It is unclear at this time what the Ontario government's next steps are.

Canada Livestock Transport Fines Raised

The Canadian federal government is doubling the fines for those who mistreat and improperly transport livestock. Starting immediately, fines of up to C\$10,000 can be imposed, up from the previous level of C\$4,000 for those who violate the Health of Animals Act. The changes will also give authority to the Canadian Food Inspection Agency (CFIA) to increase fines for repeat offenders and allow the agency to look over an offender's history for the previous five years instead of the previous three years under the old rules. If an offender commits a second offense within five years the CFIA can implement a maximum fine of C\$15,000, up from the previously allowed C\$6,000. The administrative penalties, or fines, were put in place as an enforcement tool and can be issued for violations of the Health of Animals Act, including requirements for animal welfare during transport. The Canadian federal government said the financial penalties will also apply to the Plant Protection Act to cover off violations such as the importation of prohibited plants in to Canada. Between April of 2009 and March of 2010, the CFIA issued 209 fines, totaling approximately C\$415,000.

Exchange Rate: Noon rate, November 19, 2010 (Bank of Canada): U.S. Dollar = C\$1.02

