

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

Date: 12/03/2010

GAIN Report Number: CA0048

Canada

Post: Ottawa

This Week in Canadian Agriculture Issue 20

Report Categories:

Agriculture in the News

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Report Highlights:

Beef Exporters Take Prospect of Exports to Europe with a Grain of Salt * Canadian Agricultural Biotechnology Company Submits Petition for Non-Browning Apples * Canadian Dairy Support Prices to Increase in 2011 * A New Report Card on the Canadian Renewable Fuels Industry

Beef Exporters Take Prospects of Exports to Europe with a Grain of Salt

A recent news article on the agreement announced last week between the Canadian government and the European Union allowing duty-free access to Europe for some hormone-free Canadian beef (see TWICA Issue 19, [CA0046](#) for more information) states that this is encouraging news to Canadian beef exporters. Actual volumes, however, will fall "well short" of that MFN tariff rate quota, which today amounts to 20,000 metric tons (MT). Canada has not been able to ship beef to the European market in a very long while. "If Canada can export up to 3,000 MT to Europe in one year, I think that would be a success story. But that will take a lot of hard work," said Christoph Weder of Prairie Heritage Beef at Rycroft, Alberta. "Considering Canada hasn't been in Europe in the last 20 years selling beef, it's going to take a lot of marketing to get back in there", he added. Cam Daniels, vice-president of the Canadian Beef Export Federation indicated that "the industry has to do a bit of restructuring to get enough facilities and interest to start shipping (to Europe)".

Canadian Agricultural Biotechnology Company Submits Petition for Non-Browning Apples

Okanagan Specialty Fruits, a Canadian agricultural biotechnology company, has recently submitted a risk assessment petition for non-browning apples to the United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS). This is the first petition that USDA has received for genetically modified apples. According to information posted on the company website, the non-browning effect is achieved by silencing the polyphenol oxidase enzyme. Okanagan Specialty Fruits believes that non-browning apples will help apples capture a segment of the fresh-cut produce market which it has failed to do to date due, the company believes, to the unappetizing appearance of apples that have been pre-cut. The company owner, Neal Carter, has stated that he is planning to get the apples approved in Canada as well. Due to the regulatory differences between Canada and the United State, he will need to rework some of the documentation before sending it in to the Canadian regulators. He plans to do this after he has submitted to the U.S. Food and Drug Administration and hopes to have the required petitions completed in both countries before the end of the first quarter of 2011. They will be marketed under the name "Arctic". More information on the non-browning apples can be found on the company website: [Okanagan Specialty Fruits](#).

Canadian Dairy Support Prices to Increase in 2011

The Canadian Dairy Commission (CDC), a federal Crown corporation, has announced an increase in Canadian support prices for butter and skim milk powder, effective February 1, 2011. Support prices are the prices at which the Commission buys and sells butter and skim milk powder to balance seasonal demand changes on the domestic market. The CDC announced a support price increase for skim milk powder from C\$6.1783 to C\$6.2721 per kilogram and a support price increase for butter from C\$7.1024 to C\$7.1922 per kilogram. According to the CDC, this translates into a revenue increase of 1.5 percent or C\$1.12 per hectoliter for industrial milk used to make dairy products. The CDC justified this increase by saying that farm revenues were lagging behind the increases in costs. The CDC's standing practice has been to ensure that at least 50% of the dairy farmers

participating in the cost of production survey can recover their costs. Neither the dairy farmers, nor the Canadian Restaurant and Foodservices Association (CRFA) seem satisfied with the increase. According to Jacques Laforge, president of the Dairy Farmers of Canada, this increase is set too low. The announced increase represents only 40 percent of farmers participating in the survey recovering their cost of production. In a news release issued after the support prices increase announcement, the CRFA called for more reasonable dairy prices, arguing that the price increases in the last decade have been out of line with inflation. They also warn that record high dairy prices and lowering disposable incomes are driving down dairy products consumption in the restaurants. The CDC's support price increase news release is available through the following web-link: [CDC support price announcement](#). The CRFA press release and submission to the CDC's annual stakeholder consultation are available through the following web-link: [CFRA price support news release](#).

A New Report Card on the Canadian Renewable Fuels Industry

During the 7th Annual Canadian Renewable Fuels Summit that took place in Ottawa November 29 through December 1, the industry released a report card showing that ethanol and biodiesel in Canada are delivering tangible economic and environmental results. The report card, which was released by the Canadian Renewable Fuels Association and is entitled "Growing Beyond Oil – Delivering Our Energy Future", is their first national comprehensive review of the state of the homegrown biofuels industry. The report card shows that over the last five years, C\$2.3 billion has been invested in the construction of new biofuels production facilities across the country representing almost 2.0 billion liters per year in domestic production capacity. The report card also points to the future of this sector in Canada, mentioning the commercialization of four next generation technologies in ethanol, as well as several biodiesel advancements. For example, Canada's forestry sector may become a world leader in diverting biomass from wood-waste and by-products to create renewable fuels. Similarly, a variety of other technologies show promise in the production of biofuels derived from such diverse biomass feedstocks as corn cobs, switchgrass, straw, municipal waste and algae. The full report card can be found at the following link: [CRFI report](#).

Exchange Rate:

Noon rate, December 2, 2010 (Bank of Canada): U.S. Dollar = C\$1.0046