

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 01/28/2011

GAIN Report Number: CA11003

Canada

Post: Ottawa

This Week in Canadian Agriculture Issue 2

Report Categories:

Agriculture in the News

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Report Highlights:

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Government Launches Canada-Morocco FTA

In a press release issued today in Rabat (Morocco), the Canadian government announced the launch of free trade agreement (FTA) negotiations with the Kingdom of Morocco. Qualified by the government as "historical", the launch of negotiations comes after more than one year and a half of preliminary discussions. The Canadian grain and other field crop exporters have been pressuring authorities for initiating this FTA ever since the United States concluded theirs back in 2006. At C\$267 million, agricultural products made up the vast majority of Canadian trade with Morocco in 2009. The press release indicates that beyond Canada's main food exports of wheat (durum) and pulses (mainly lentils and peas), this FTA would also represent potential markets for Canadian dairy genetics and feed for cattle. More than 40,000 Moroccan-Canadians make up the largest North African community in Canada, while the two countries share strong cultural bonds as full members of La Francophonie.

CFIA Issues High Priority Notice to Importers/Exporters of Logs

The Canadian Food Inspection Agency (CFIA) and the Canadian Border Services Agency (CBSA) have issued a high priority notice to the exporters of logs to Canada to ensure that customs declaration forms are being completed correctly. This warning comes after CBSA verifications of logs from the United States uncovered some irregularities. The agencies remind exporters of logs to Canada that the use of "mixed hardwood logs" is not permitted, that all species of imported logs must be correctly declared and that exporters to Canada should verify if their species have any particular import requirements. The tariff item code "Logs – other" may only be used if the species is not listed in Chapter 44 of the Canadian Customs Tariff (available at the following URL address: <http://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2011/01-99/ch44-t2011-eng.pdf>). The notice Import requirements can be verified by using the Automated Import Registration System (AIRS) available at the following URL address: <http://www.inspection.gc.ca/english/imp/airse.shtml>. Importers/Exporters have until February 1, 2011 to correctly declare all log species present in each shipment. Questions can be directed to one of the regional CFIA offices: <http://www.inspection.gc.ca/english/directory/offbure.shtml>.

Canadian Beef Banned in Taiwan Due to Ractopamine

A recent news article indicates that Taiwan banned imports of Canadian beef after traces of the feed ingredient ractopamine were found in a sample earlier this month. Ractopamine was initially authorized in 24 countries worldwide for use in feeding hogs. The ingredient produces a leaner product and allows the animals to be more efficient in converting grain to muscle mass. More recently, Canada and three other countries (United States, Mexico and Australia) have allowed its use in cattle. Taiwan only recently started testing for ractopamine residue in beef, and the recent findings brought all imports to a halt. Ted Haney, President of the Canadian Beef Export Federation (CBEF), said that a number of Canadian companies saw beef products quarantined in Taiwan. Beef in transport was in the process of being returned to Canadian shippers, while Canadian companies that would normally ship beef to Taiwan have rerouted those sales to alternate destinations. Canada was expected to export about 3,000 metric tons of beef to Taiwan in 2010.

Canada Enhances Swine Disease Surveillance

The Canadian Food Inspection Agency (CFIA) has recently announced that Canada is enhancing the way it monitors the national swine herd for federally reportable swine diseases. Historically, CFIA has conducted periodic, large-scale surveys for porcine brucellosis, trichinellosis and pseudorabies (Aujeszky's disease). Under the enhanced surveillance system, samples will be regularly collected and tested. CFIA will begin collecting blood samples from mature animals at Canadian slaughter facilities this month. The enhanced surveillance system will allow Canada to demonstrate freedom from porcine brucellosis, trichinellosis and pseudorabies and will also play a role in protecting human health, as brucellosis and trichinellosis can be transmitted to people. This initiative is a partnership between the CFIA, the swine industry and provincial and territorial authorities.

CFIA Will Place a Permanent Veterinarian in Moscow

Prior to launching FTA negotiations in Morocco, Canadian Agriculture Minister Gerry Ritz participated in the Global Forum of Agriculture Ministers on Trade and Global Food Security in Germany. During the Forum, Minister Ritz held bilateral meetings with key trading partners such as Germany, Russia, France and Ukraine. While meeting with the Russian Agriculture Minister, Dr. Skrynnik, Minister Ritz announced that the Canadian Food Inspection Agency (CFIA) would place a permanent veterinarian in Moscow to help mitigate trade disruptions, including those relating to Canada's beef and pork access.

Progress Report of the Growing Forward Initiative in Manitoba

The federal government and the provincial government of Manitoba issued the first progress report on the Growing Forward initiative in that province. Growing Forward is a national agriculture framework to coordinate federal, provincial and territorial agriculture programs. Federal, provincial, and territorial governments are delivering C\$1.3 billion for farm families over a five year period. In Manitoba the program will deliver a total of C\$117.5 million from the federal and provincial governments for agriculture. The report outlines the progress of the program during the 2009-10 fiscal year, when programs in each of the four suites were officially launched. The four categories are Food Safety, Business Development, Innovation and Environment. Each category includes a variety of programs and services designed to help people in agriculture and agri-product industries improve production, innovate products and processes, enhance business skills, create and grow marketing opportunities and adapt initiatives into practice that will provide the greatest, positive economic impact on individuals and communities. More information can be found on the following website: <http://www.gov.mb.ca/agriculture/growingforward/> including a PDF version of the report:

<http://www.gov.mb.ca/agriculture/growingforward/pdf/growingforwardprogressreport20101203.pdf>

Government Supports Quebec's Apple and Apple Juice Processing Industry

The Canadian government announced a substantial repayable contribution of over C\$1.37 million to Vergers Paul Jodoin to enable the company to install new equipment for increasing its production capacity. With this investment the company will be able to meet increased demand for the "Tradition" juices, a well known brand sold in many grocery stores around Canada. This investment will come from the AgriFlexibility Fund as part of the AgriProcessing Initiative, a five-year initiative involving up to \$50 million, designed to enhance the competitiveness of Canada's food-processing industry. The initiative helps companies carry out projects involving the adoption of

innovative manufacturing technologies and processes that are essential to maintaining and strengthening the industry's position in today's international market.

Great Edible North

Details were just announced for the second annual Taste of the Arctic celebration – a gastronomic and cultural showcase of Inuit life. The event is scheduled for February 1, 2011 at the National Gallery of Canada. More than 300 guests will pay C\$195 each for an entertaining night of Inuit culture, a fashion show by Nunavik Creations and food from the far North imaginatively adapted for southern palates. With traditional dishes of caribou, seal, and arctic hare, this may be a challenge. So, what else is on the menu? Roasted Striploin of Muskox, cured in pine needles and juniper tea.

Exchange Rate: Noon rate, January 28, 2011 (Bank of Canada): U.S. Dollar = C\$ 0.9990