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Global Agricultural Information Network

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Report Highlights:

Manitoba Canola Growers Exploring Marketing through the Canadian Wheat Board* Canadian Supply Management Sectors and the Canadian Wheat Board Unhappy with Newest WTO Report *U.S. Wine Exports to Canada Show Explosive Growth* Results of 2011 Planting Surveys Released

Manitoba Canola Growers Exploring Marketing through the Canadian Wheat Board: The

Manitoba Canola Growers Association (MCGA) are exploring the feasibility of marketing canola through the Canadian Wheat Board (CWB). Sections 49 to 52 of the Canadian Wheat Board Act enable the CWB to market other crops through an open-market system. According to the information on their website, the benefits of such a voluntary program would be: (1) professional marketing by a farmer-controlled organization, (2) risk management through price pooling, (3) increased transparency costs and revenues, and (4) greater use of producer cars and the Port of Churchill. Under the Act, in order for such a program to be feasible, interest by significant numbers of canola growers would need to be demonstrated. In addition, a marketing plan must be submitted to the Minister of Agriculture for review and approval, and an authorizing Order in Council (Federal Cabinet) would be required. The MCGA states that through discussions with the CWB, it has been determined that canola growers would need to commit to a minimum of 200,000 metric tons of canola from across the Prairies. This amount represents less than 2% of the canola produced in 2010. The MCGA also report that preliminary discussions with the Minister of Agriculture have been encouraging. The Alberta Canola Growers Association has distanced themselves from support for such a program. More on the initiative can be found on at the following URL address: <http://www.mcgacanola.org/>

Canadian Supply Management Sectors and the Canadian Wheat Board Unhappy with Newest WTO Report: On April 21, Canada's supply managed sectors and the Canadian Wheat Board (CWB) issued separate press statements expressing their unhappiness with the latest report released by the World Trade Organization (WTO) Agricultural Chair on the progress of the agricultural negotiations. The report summarizes the outstanding issues for agriculture based on consultations held by the Chair. The supply management sectors are concerned that the report still refers to provisions that are detrimental to the supply management system in Canada. The Canadian supply management industry statement calls on the Canadian government to continue to remain strong and oppose any agreement that would jeopardize the future of supply management. The Canadian Wheat Board statement also expresses concern that the negotiating text retains language that would be harmful to the CWB, specifically citing a clause that spells out the elimination of "the use of export monopoly powers" of state trading enterprises. The CWB feels that the current text would deliver few gains in return for extraordinary concessions.

The press release issued by the supply management sectors is available at the following URL address: <http://www.dairyfarmers.ca/news-centre/news/policy/latest-wto-report-on-agriculture-remains-unacceptable-to-dairy-poultry-and-egg-farmers>

The press release issued by the Canadian Wheat Board is available at the following URL address: http://www.cwb.ca/public/en/newsroom/releases/2011/news_release.jsp?news=042111.jsp

U.S. Wine Exports to Canada Show Explosive Growth: In 2010 U.S. wines exports posted an impressive 30 percent jump to total \$269 million. At 12 percent, growth in volume was also substantial. In value terms, American wines increased in market share to 16 percent, behind France and Italy but now ahead of Australia in this rapidly growing market. Achievements in 2010 also include the U.S. registering the strongest growth by any supplier in Quebec, Canada's largest provincial market for wine, and California wines moving to the top sales position in Vintages, the premium wine section in Ontario's liquor control board stores. The strong showing has roots in increased overall consumer demand, a weaker U.S. dollar especially relative to European currencies, and consumer interest in the wide array of U.S. varieties and price points. Canada remains an extremely difficult market to enter and/or thrive in due to the monopoly purchasing powers by the provincial liquor control boards.

Growth in U.S. exports coincides with sustained marketing efforts by the California Wine Institute, the New York Wine and Grape Foundation and the Northwest Wine Coalition across Canada.

For more information, please see FAS Canada's Export Accomplishments report, [U.S. Wine Exports to Canada Show Explosive Growth](#) – GAIN Report number CA11022. If you are having trouble with the link, go to <http://gain.fas.usda.gov> and perform a search by title or report number.

Results of 2011 Planting Surveys Released: The results of Canada's 2011 Planting Intentions Surveys were released on April 26, 2011. The limitations that the current cool, wet conditions impose are reflected in the survey results. The survey suggests a shift away from smaller crops such as edible beans and sunflowers which do not do well in wetter conditions, and a shift towards grain crops, canola, and soybeans which are unaffected by, or well-suited to, wetter, cooler spring conditions. Farmers report intentions to increase wheat, barley, corn, and oats production above 2010 levels by 17.4%, 13.4%, 7.0% and 39.2%, respectively. Canadian farmers also report intentions to seed 14.3%, 2.5% and 30.8% more area to canola, soybeans, and flaxseed in 2011 compared to 2010 area. Over the longer term, three trends are reinforced by these data: (1) buoyed by strong prices and improving yields, oilseed area continues on the upswing; (2) in contrast, strong prices are not sufficient to boost area planted to grains; and (3) summer fallow area continues a strong, downward trend.

For more information, please see FAS Canada report titled *2011 Canadian March Seeding Intentions Survey Results* – GAIN Report number CA11023. The report will be available at the following URL address. <http://gain.fas.usda.gov> from which you can search for GAIN reports by title or number.

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Exchange Rate: Noon rate, April 29, 2011 (Bank of Canada): U.S. Dollar = C\$0.9486