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This Week in Canadian Agriculture - Issue 12

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This Week in Canadian Agriculture is a review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

Disclaimer: Any press article summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

Canadian Wheat Board Adjustment: Durum, Wheat and Barley to Follow the Same Timeline

Slowly, additional details of the Canadian government's plans for the Canadian Wheat Board (CWB) are being revealed. This week, another question being asked by the Canadian grain industry was been answered: Will the marketing of all three crops (durum, wheat and barley) happen at the same time? The Minister of Agriculture, Gerry Ritz, answered this question during his first visit to the CWB headquarters in Winnipeg since being named Minister of Agriculture and Minister to the Canadian Wheat Board in August 2007. According to Minister Ritz, marketing changes to all three crops will follow the same timeline and August 2012, the start of the new crop marketing year, will mark the logistics end of the CWB monopoly over these crops. While the Conservative government has maintained that the CWB will still be a viable alternative for farmers who prefer to market through the pool system, CWB chair Allen Oberg has expressed doubts that this will be possible given the fact that the board has no capital base and no grain handling assets. Manitoba Agriculture, Food, and Rural Initiatives Minister Stan Struthers has also voiced concerns over the manner in which the federal government is going about ending the CWB's monopoly. Minister Struthers is urging members of his legislature to push the federal government to reverse its plan. According to Minister Struthers, the loss of the CWB head office would have a significant impact on the province. The CWB head office, located in Winnipeg, Manitoba, is estimated to be responsible for 2,500 direct and indirect jobs in the province of Manitoba.

Canadians Join U.S. Organic Farmers and Seed Sellers in Suit against Monsanto

A small number of Canadian agricultural groups have joined a U.S.-based organic farmers and seed sellers suit against Monsanto which was first filed on March 29, 2011. The suit challenges Monsanto's patents on genetically modified seeds, questioning Monsanto's right to sue organic farmers for patent infringement. The suit, which was amended on June 1 to include additional plaintiffs which brings the total number of plaintiffs to 83, was filed in federal district court in Manhattan, New York, by the Public Patent Foundation. The Public Patent Foundation is a not-for-profit legal services organization whose stated mission is to protect freedom in the patent system. A review of the Public Patent Foundation website however reveals that the group's stance goes beyond seeking "patent freedom" to a blatant anti-GMO stance. Monsanto has not made an official comment on the case. The suit, Organic Seed Growers and Trade Association,

et al. v. Monsanto Company and Monsanto Technology LLC (ECF case No 11-cv-2163-NRB), can be viewed at the following URL address:

<http://www.pubpat.org/assets/files/seed/OSGATA-v-Monsanto-Complaint.pdf>

NAFTA Chapter 11 Dispute over Quebec's Provincial Ban on Pesticides Resolved

Canada's newly appointed Minister of International Trade, Ed Fast, issued a press release on May 27, 2011, announcing an end to a 2-year dispute between the Government of Canada and Dow AgroSciences LLC. Dow AgroSciences had served a Notice of Arbitration in accordance with the North American Free Trade Agreement (NAFTA) Chapter 11 dispute settlement mechanism in 2009. The company was seeking US\$2 million in damages for losses allegedly caused by the provincial government of Quebec's ban on certain pesticides containing the active ingredient 2,4-D. According to the news release, under the agreement reached, Quebec can maintain its ban, and Dow AgroSciences does not receive any compensation. The government of Quebec, however, must acknowledge Health Canada's conclusion that products containing 2, 4-D do not pose an unacceptable risk to human health or the environment when used according to the label instructions. In a press statement issued by Dow AgroSciences, the company stated that the settlement was a positive one for the company, value-chain partners and customers, and expressed satisfaction that Quebec will now recognize that the products are safe when used as directed.

The press release issued by the Canadian can be viewed at the following URL address:

http://www.international.gc.ca/media_commerce/comm/news-communiqués/2011/145.aspx.

The statement by Dow AgroSciences can be viewed at the following URL address:

http://www.dowagro.com/ca/pdfs/Dow_AgroSciences_LLC_and_Government_of_Canada_settle_NAFTA_claim_May_2011.pdf

Produce from Europe Subject to Increased Sampling and Testing

The Canadian Food Inspection Agency (CFIA) will be increasing the sampling and testing of products from European countries that have been affected by an E coli strain believed to have contaminated salad vegetables. While this recent poisoning outbreak has, to date, killed eighteen people and has caused over 1,600 people to fall ill in Europe, the risk in Canada is minimized by the fact that fresh produce from Europe accounts for less than one per cent of total produce imports. CFIA's actions are consistent with other food safety protocols that have been implemented by other countries, including the United States.

Canada Beef Export Federation Merges with Beef Information Centre and the National Beef Check-off Agency

Members of the Canada Beef Export Federation (CBEF) voted unanimously to consolidate their operations with the Beef Information Centre (BIC) and the national beef check-off agency. The consolidation with the BIC and Canadian Beef Cattle Research, Market Development and Promotion Agency (National Check-off Agency) will create a "single, independent national beef cattle marketing, promotion and research agency," CBEF said in a press release. The merger plan has been in the works since 2010 and stems from the Canadian Cattlemen's Association's (CCA) review of its marketing arms' operations. The CCA formed a Canada Beef Working Group which in January this year recommended the three organizations be consolidated into one, under the name "Canada Beef." It is expected that "combining the three entities will reduce

costs through simplified funding administration and eliminate duplication." It is estimated an additional C\$1.3 million per year would become available to maintain marketing programs and services. CBEF runs beef export development offices in Mexico, Japan, South Korea, China, Hong Kong and Taiwan.

Canada and Russia Work in Partnership to Increase Livestock Trade Opportunities

Agriculture Minister Gerry Ritz underlined the importance of Canada's growing partnership with Russia in the agriculture sector at the opening of the first Canada-Russia Livestock Forum held recently in Ottawa. Minister Ritz and Russian First Deputy Prime Minister Viktor Zubkov renewed their commitment to build on Canada and Russia's strong ties and agreed to continue working together to increase bilateral trade for the benefit of farmers. Minister Ritz also took the opportunity to congratulate Genesis Genetics Inc., a company from Manitoba that just finalized an agreement to ship 4,100 Canadian hogs to Russia, a deal worth more than C\$5 million. According to Genesis Genetics Inc., this contract is the largest ever signed by Canada with Russia for registered purebred pigs. Canada is aiming to partner with Russia to help its livestock sector develop with key agricultural inputs: machinery, technology, knowledge and expertise.

Exchange Rate: Noon rate, June 3, 2011 (Bank of Canada): U.S. Dollar = C\$0.9770

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CA11031	This Week in Canadian Agriculture – Issue 11	05/27/2011
CA11030	This Week in Canadian Agriculture – Issue 10	05/20/2011
CA11029	Top Ten U.S. Fresh Fruit Exports to Canada	05/19/2011
CA11027	This Week in Canadian Agriculture – Issue 9	05/06/2011
CA11025	Agent and Broker Directory – Central Canada	05/03/2011
CA11024	This Week in Canadian Agriculture – Issue 8	04/29/2011
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