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GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 07/07/2011

GAIN Report Number: CA11037

Canada

Post: Ottawa

This Week in Canadian Agriculture - Issue 14

Report Categories:

Agriculture in the News

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Report Highlights:

Canada and the European Union Reach Agreement on Organic Equivalency * Government Supports Project to Improve Beef Cattle Quality * Ontario Announces Details for Risk Management Programs * Results of Cattle Auction Market Traceability Pilot Now Available * Canada Opposes Crackdown on Commodity Speculation

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.

Canada and the European Union Reach Agreement on Organic Equivalency

In a recent press release, the government announced that Canadian organic producers will have increased opportunities to export their products, and Canadian families shopping for organic food in their local grocery stores will have more choices, following an arrangement reached between Canada and the European Union (EU). The Canada – European Union Organic Equivalency Arrangement is the outcome of an extensive analysis of the Canadian and EU organic production and certification systems, which included spot checks of the production rules and control measures applied in the two countries. The arrangement will allow the import and export of certified organic products between Canada and the EU without the need for additional certification. Certified organic products can now carry the Canadian and/or the EU organic logo.

Government Supports Project to Improve Beef Cattle Quality

The Government of Canada gives C\$1.7 million to the Canadian Simmental Association (CSA) to finance research that will benefit the beef industry by enhancing the quality of beef cattle. Using DNA and other genetic data, this three-year project will help cattle breeders identify, select and breed cattle that have higher fertility and mothering ability, growth and feed efficiency, and produce a more desirable beef product. The results will be shared through various beef sector groups including the Canadian Beef Breeds Council. This investment comes from the Canadian Agricultural Adaptation Program (CAAP), a five-year (2009-2014), C\$163-million program with the objective of facilitating the agriculture industry's ability to seize opportunities, respond to new and emerging issues, and test solutions to new and ongoing issues.

Ontario Announces Details for Risk Management Programs

A news article informs that Ontario's grain and oilseed growers will get first crack at enrolling in the province's permanent Risk Management Program (RMP) starting August 2, followed by livestock producers in the fall. The provincial government has recently released the details on the RMP, which the province pledged in its March budget to move beyond the pilot stage and expand to the cattle, hog, sheep and veal sectors. The RMP, to be delivered by the province's agriculture program delivery agency Agricorp, is meant as a companion to the joint federal/provincial production insurance and AgriStability programs. The province will fund RMP at the full amount of its usual 40 percent share. Specifically, the province's program treats RMP payments as an advance on the

province's 40 percent share of a producer's AgriStability payment, in which an eligible producer would keep the greater of the two payments. The 60 percent federal share of the AgriStability payment is unaffected.

For more information about the Ontario RMP, please follow this link:

<http://www.omafra.gov.on.ca/english/about/rmpindex.html>

Results of Cattle Auction Market Traceability Pilot Now Available

In September 2009, Alberta Agriculture and Rural Development contracted Integrated Traceability Solutions (ITS) to install and operate Radio Frequency Identification (RFID) reading systems in six auction markets throughout Alberta. After 307 sales over nine months, with more than 248,000 head of cattle scanned, the study showed no extra stress or extra movement on the cattle and there was no impediment to the speed of commerce.

For more comments and study results please follow this link:

[http://www1.agric.gov.ab.ca/\\$department/newslett.nsf/all/agnw18134](http://www1.agric.gov.ab.ca/$department/newslett.nsf/all/agnw18134)

Canada Opposes Crackdown on Commodity Speculation

Canada opposes France's proposal to tighten controls on commodity speculation, Finance Minister Jim Flaherty told Reuters Insider TV. Nicolas Sarkozy, president of France, which currently chairs the G20 group of emerging and developed nations, called for tighter regulation of the speculators he blames for spiraling food and energy prices. Canada's Conservative government is "against stronger regulation," Flaherty said. "We try not to interfere in markets, including the food market," he said.

"Markets will find their price levels. We know that's sometimes difficult in the oil situation and so on... it's discomfoting, but in the long run it's the best policy and we maintain our belief in open markets." The G20 Agriculture Ministers met recently in Paris to discuss French proposals including calls to encourage investment in agriculture and increase market transparency. Canada's Agriculture Minister Gerry Ritz said in January that the recent rally in grain and oilseed prices was based more on concerns about crop levels than on speculation.

Exchange Rate: Noon rate, July 7, 2011 (Bank of Canada): U.S. Dollar = C\$0.9586

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