

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 07/28/2011

GAIN Report Number: CA11042

Canada

Post: Ottawa

This Week in Canadian Agriculture - Issue 16

Report Categories:

Agriculture in the News

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Report Highlights:

Alberta Announces Hog Price Insurance * Ontario and Federal Governments Fund Traceability *
Food: Canada's Largest Manufacturing Industry by Sales * Ontario Potato Processor Receives
Support for Expansion

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.

Alberta Announces Hog Price Insurance

The Alberta government has announced a new risk management program for the province's hog producers. The Hog Price Insurance Program (HPIP) is similar to the CPIP program for cattle. The province says it will help provide hog producers with protection against an unpredicted price decline, and will be delivered by Alberta's Agriculture Financial Services Corporation (AFSC). In a release, Alberta Agriculture Minister Jack Hayden said "In purchasing an HPIP policy, the producer has a known 'floor' price for those hogs without limiting the ability to sell them at a higher price, which is important in creating a sustainable industry." HPIP is voluntary and available to purchase year round, with insurance settlement reflecting the monthly average Alberta hog price. The premiums are fully paid by producers, with no contributions from the provincial or federal governments. For more information please follow [this link](#) .

Ontario and Federal Governments Fund Traceability

The governments of Canada and Ontario have announced a combined C\$21.5 million for the [Traceability Foundations Initiative](#), a new program to track food "from the farm to the dinner plate." A joint release said the program will support projects led by the agri-food industry to share information, enhance industry competitiveness and improve the speed in which Ontario responds in the event of a food product recall. Having a full traceability system requires the collection, storage and sharing of three key pieces of information: premises identification, product identification, and movement recording. This funding comes from the C\$500 million Agriculture Flexibility fund for projects that reduce production costs, increase competitiveness, improve environmental sustainability, promote innovation and respond to market challenges. For more information about traceability in Ontario please follow [this link](#) .

Food: Canada's Largest Manufacturing Industry by Sales

A recent newspaper article readers reported that Canada's largest manufacturing sector is no longer one that produces auto parts or high-tech gadgets, but food. The food sector is the country's largest manufacturing industry by sales, according to the most recent statistics. Sales set a record last year, topping C\$80 billion – more than textiles, paper, machinery and aerospace combined. Also last year, it quietly passed transportation equipment to become the industry's top employer. The food

sector has steadily expanded over the past decade and now employs about a quarter of a million Canadians. The article noted further that even in the recession, as most other sectors slumped, food sales kept growing. As global manufacturers struggle to find their place in a post-recession world, the food industry is undergoing sweeping changes, expanding to new parts of the globe and seeking out niche markets. These specialized products, which range from ethnic foods like tortillas and spring rolls, to gluten-free breads and high-fibre pasta, are rapidly becoming mainstream. Organic and health-food products – such as cheese with added Omega 3 – are also expanding. The rush to niche markets reflects changing consumer tastes and, especially as boomers age, a predilection for healthier food.

Ontario Potato Processor Receives Support for Expansion

The Ontario government is helping EarthFresh build a state-of-the-art, 40,000 square-foot potato washing, packing and distribution plant in Flamborough. The new plant is set to replace the company's existing facility, now too small to respond to the growing demand for its popular potato varieties. The new plant, when operating, is expected to help the company "nearly triple" its processing capacity and boost sales by C\$15 million within two years, while cutting production costs. The company also expects to create 44 new jobs at the new plant, on top of the 70 staff now working at the existing site, and to expand into new markets with new products. According to a news article the total investment is close to C\$5.5 million, of which the Ontario Government's contribution is C\$496,875. EarthFresh distributes potatoes, onions, carrots, beets and parsnips across North America, sourcing from growers in most provinces and 38 U.S. states.

Exchange Rate: Noon rate, July 27, 2011 (Bank of Canada): U.S. Dollar = C\$0.9474

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