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This Week in Canadian Agriculture - Issue 1

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Report Highlights:

Canadian Beef One Step Closer to Access South Korean Market * Food Regulations Allow the Use of Sodium Acetate and Diacetate * One Step Closer to Freeing Up the Wine Market in Canada * Farmers are Keeping Up with the Times

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 Beef One Step Closer to Access South Korean Market

At the end of December 2011, the federal government announced that a major step has been taken towards restoring access for Canadian beef in South Korea with the South Korean Parliament ratifying the import health requirements for Canadian beef under 30 months of age. This is reportedly one of the final steps prior to Canadian beef re-entering the South Korean market. Following Canada's first case of BSE in May 2003, South Korea banned Canadian beef and beef products. Last June, the Canadian and South Korean governments agreed on a process to restore access by the end of 2011. The process to restore access is now close to conclusion, as the South Korean National Assembly passed the Import Health Requirements (IHRs) for Canadian beef. The South Korean Government still has to promulgate the IHRs early in the new year, then issue a list of approved beef establishments for export and formally accept the import health certificates. This is expected to happen early in 2012. As South Korea's progress meets timelines established, a WTO Panel dealing with Canadian beef access remains suspended.

Food Regulations Allow the Use of Sodium Acetate and Diacetate

In December 2011, an amendment entered into force changing the Canadian Food and Drug Regulations to allow the use of sodium acetate and diacetate in food processing. Following consultations with industry, Health Canada accepted the request that the Regulations be amended to permit the use of sodium acetate as a preservative in standardized and unstandardized preparations of meat, meat by-products, poultry meat, or poultry meat by-products, at a maximum level of use consistent with good manufacturing practice, and to permit the use of sodium diacetate as a preservative in standardized and unstandardized preparations of meat, meat by-products, poultry meat, or poultry meat by-products, prepared and preserved fish products, at a maximum level of use of 0.25% of final product weight. The two food additives have been in use since September 2008 when Health Canada first permitted their use on a temporary basis via the issuance of Interim Marketing Authorizations. With the adoption of the new amendments, their acceptance became permanent. According to Health Canada, these amendments benefit the consumers by allowing greater availability of food products while continuing to help protect their health and safety. In addition, these amendments benefit industry by providing the meat, poultry meat and fish industry

with two additional antimicrobial preservatives to enhance the safety of meat, poultry meat and fish products. More details can be found at the following link:

<http://www.gazette.gc.ca/rp-pr/p2/2011/2011-12-21/html/sor-dors280-eng.html>

One Step Closer to Freeing Up the Wine Market in Canada

Canada has a Prohibition-era law that makes it illegal for individuals to buy wine in one province and take it into another province without going through their provincial liquor control board. Dan Albas, a Conservative Member of Parliament for Okanagan-Coquihalla, whose riding includes many British Columbian vineyards, introduced a private member's bill in October to amend the 83-year-old law and allow for free flow of wine for personal consumption. Early in December 2011, his bill passed second reading in the Canadian House of Commons. From there, the bill was sent to the appropriate House Committees for in-depth discussion. Once that step is over, a bill usually returns to the House in what is called the "report stage" when amendments can be brought. Once a final version is contemplated, a bill has to pass a third reading in the House after which it is sent to the Senate where it has to follow a similar process. Once both the House and the Senate have adopted a bill in the same form, it is sent to the Governor General to receive Royal Assent, and only then it becomes law. Wine lovers in Canada hope this will happen quickly in 2012. Supporters of the bill also hope that once consumers are permitted to shop for wine directly from wineries in other provinces (basically in British Columbia and Ontario), the cost of wine will decrease in the provincial liquor control board outlets.

Farmers are Keeping Up with the Times

Canada's farmers are investing in smartphones and tablets at the same rate as the rest of the population. Farm Credit Canada (FCC), the federal farm lending agency, recently released a survey of its FCC Vision Panel, finding 29 percent of farmers now own smartphones, compared to 30 percent for other Canadians, while six percent of Canadians and Canadian farmers alike own a tablet. Tablet adoption is expected to be highest among current smartphone users, FCC said, and 53 percent of producers who own a smartphone today plan to buy a tablet within two years. The survey, conducted in June 2011, also found that:

- 36 percent of producers in Canada will try new technology once they hear positive feedback from their peers;
- 81 percent of producers own a cell phone;
- smartphones are owned most often by producers under 40 (41 percent) compared to their peers over the age of 40 (26 percent);
- of the 29 percent of producers who own a smartphone, the majority are using a Blackberry (63 percent), while 24 percent are using an iPhone;
- 50 percent of producers who don't own a smartphone say they will never own one, while the other half expect to have one within the next two years; and
- 86 percent of respondents have high-speed Internet.

Exchange Rate: Noon rate, January 6, 2012 (Bank of Canada): U.S. Dollar = C\$1.0232

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CA11067	Marketing Freedoms for Grain Farmers Act Becomes Law	12/19/2011
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CA11062	Grain and Feed Quarterly	11/11/2011
CA11061	Fruit Annual	11/04/2011
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CA11059	Bill C-18 – Marketing Freedom for Grain Farmers Act	11/03/2011
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CA11057	This Week in Canadian Agriculture, Issue 21	10/20/2011
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