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Report Highlights:

South Korea Reopens Market for Canadian Beef * Canada May Be Confronted with Potato Shortage * Government Supports Exports of Food and Beverage * Philippines Opens Market to Canadian Cattle, Sheep and Goats * Hen or Rooster: Can You Taste the Difference?

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.

South Korea Reopens Market for Canadian Beef

On January 20th, the Canadian government announced that effective immediately Canadian beef under 30 months of age can re-enter the South Korean market. "For the first time in nearly a decade, Canadian beef can be exported again to what was our fourth-largest market, South Korea," said Minister Ritz. According to the press release, the South Korean government published their approval of the Import Health Requirements (IHRs) and notified Canada that all certification conditions are in place, meaning exports can commence from the Canadian beef establishments approved for export. Canada's work to reopen the market included an earlier request for a World Trade Organization (WTO) Panel, based on science and safety. The Canadian beef industry estimates that Canadian producers stand to gain more than C\$30 million by 2015 due to this restored market access. South Korea is the last significant Asian market to lift the ban implemented following the 2003 BSE outbreak.

Canada May Be Confronted with Potato Shortage

Media articles from different provinces note that data recently published by Statistics Canada show that Canada's potato production was much lower than expected. At 4.17 million metric tons, last year's harvest was 5 percent below the 2010 level, despite an increase of 1.6 percent in seeded area. Wet weather conditions in the main production regions are to be blamed, both in the west and in the east. A news article from Manitoba indicates that because of the looming shortage, the province's potato processors McCain Foods and Simplot will likely have to import potatoes from Idaho or Washington State or shift some production to other North American plants. Similar stories of shortages come from New Brunswick and Prince Edward Island as well. The shortages are likely to also affect consumers. Eric Smith, Produce Manager at the Fredericton Direct Charge Co-op in New Brunswick and a former potato farmer, said he heard rumors the prices might shoot up to close to C\$10 for a 10 pound bag. Currently at that co-op potatoes are C\$4.99 for a 10 pound bag.

Government Supports Exports of Food and Beverage

The federal government announced a C\$600,000 funding for Food Beverage Canada (FBC) to expand sales and product awareness of Canada's food and beverage industry. This financial support will allow FBC to help lead a joint trade mission to the Gulfood Show next month in Dubai, where they will bring Canadian companies to showcase their products at the world's largest annual food and hospitality show. The funding has also allowed FBC to extend its marketing through other key

international food and beverage shows, including Anuga and the Hong Kong Food Expo. FBC is a non-profit industry association with a mandate to unite the international marketing efforts of the food processing industry while assisting companies in their efforts to become export ready and export capable. The newly announced funding is part of the C\$88 million investment provided over four years through the AgriMarketing program under Growing Forward. The Growing Forward program helps industry implement long-term international strategies, including activities such as international market development, industry-to-industry trade advocacy, and consumer awareness and branding.

Philippines Opens Market to Canadian Cattle, Sheep and Goats

The federal government announced Canada has secured live ruminant market access to the Philippines. This country was among many export markets to shut its doors to live ruminants in May 2003 following the discovery of Canada's first domestic case of BSE in an Alberta cow. The Philippines restored market access in 2007 for Canadian beef, and in 2010 lifted a BSE-related ban on rendered meat and bone meal imports from Canada. The Philippines imports C\$9 million in cattle annually, and nearly C\$300, 000 in sheep and goats. Canadian producers now have the ability to compete for sales in this market. This new market access further strengthens the trade relationship between the two countries as the Philippines is an important commercial market for Canada, importing more than C\$235 million in Canadian agricultural and agri-food products in 2010.

Hen or Rooster: Can You Taste the Difference?

According to a recent Canadian newspaper article, consumers today aren't just curious whether the chicken they purchase are free-range or organic or raised humanely. Increasingly, they also want to know the gender of the birds. Apparently, in high-end restaurants, many customers are starting to ask for male chickens, because female birds are believed to have higher levels of naturally-occurring hormones, which some people want to avoid. But, according to associate professor Grégoy Bédécarrats of the University of Guelph's Department of Animal and Poultry Science, the biological half-life of naturally-occurring hormones, such as estrogen, is fairly short. The likelihood of these hormones accumulating in the tissue or fat of the birds, then surviving the processing and cooking, is low and wouldn't affect consumer health. The reality is that while male birds may have slightly higher levels of testosterone and females could have minimally higher estrogen levels, broiler chickens, those typically found in grocery stores, reach only about seven weeks of age, so their hormone levels tend to be low, according to Dr. Bédécarrats. Hormones aside, however, there is a difference in the physical composition of male and female chickens: females have more fat, while males yield more protein.

Exchange Rate: Noon rate, January 25, 2012 (Bank of Canada): U.S. Dollar = C\$1.0120

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