

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Health Canada Publishes Amendments to Food Allergen Labeling Regulations*National Bio-Diesel Requirement May Be Implemented This Summer*Alberta Beef Processor Receives Funding to Increase Production Capacity*Government Invests in Competitiveness of Hog Industry*Livestock Producers Affected by Excess Moisture Receive Help*Canada Resumes Beef Exports to Costa Rica*Bill to Reform Approval Process for GM Seeds Voted Down

Health Canada Publishes Amendments to Food Allergen Labeling Regulations

On February 16, 2011, Health Canada published amendments to its food allergen labeling regulations, designed to help consumers with food allergies, celiac disease or sulfite sensitivity, avoid prepackaged products that may trigger adverse reactions. These regulatory changes were initiated due to concerns that current labeling regulations do not require enough ingredient information to meet the needs of consumers with food sensitivities. The regulatory amendments require that the source of a food allergen or gluten be shown on the label of most prepackaged products when the food allergen or gluten is present in the prepackaged product. With an implementation date of August 4, 2012, industry has eighteen months to make the necessary adjustments to comply with the new regulations. The cost-benefit analysis states that these regulatory amendments are in line with the general approach taken by Canada's key trading partners, namely the United States, the European Union, Australia, and New Zealand.

More information on the regulatory amendments, and the foods subject to these amendments, is available on the Canada Gazette website at the following URL address:

<http://canadagazette.gc.ca/rp-pr/p2/2011/2011-02-16/pdf/g2-14504.pdf>. The regulatory impact analysis statement is available on the Health Canada website at the following URL address:

http://www.hc-sc.gc.ca/fn-an/label-etiquet/allergen/project_1220_rias_eeir-eng.php. The news release issued by the Canadian Minister of Health, the Honourable Leona Aglukkaq, is available at the following URL address: http://www.hc-sc.gc.ca/ahc-asc/media/nr-cp/2011/2011_23-eng.php.

National Bio-Diesel Requirement May Be Implemented This Summer

The federal government recently announced that it is moving forward with the requirement for an average two percent renewable content in diesel fuel and heating oil. Agriculture Minister Gerry Ritz declared that "the new renewable fuel content in biodiesel and heating oil will give our farmers another market for their crops and demonstrates how agriculture can contribute to reducing Canada's environmental footprint." Canada's Renewable Fuels Regulations were published on September 1, 2010. The regulations already require an average of five percent renewable content in gasoline. The regulations also contained the provisions to require an average of two percent renewable content in diesel fuel and heating oil once a technical feasibility assessment was completed. The proposed regulatory amendment will be published in the *Canada Gazette*, Part I in the coming weeks for a 60-day public comment period. The Government of Canada is proposing an effective date of July 1, 2011.

To learn more about the *Report on the Technical Feasibility of Integrating an Annual Average Two Percent Renewable Diesel in the Canadian Distillate Pool by 2011* please follow this link:

[Link to NRDDI](#)

Alberta Beef Processor Receives Funding to Increase Production Capacity

XL Foods, Canada's largest domestically-owned beef packer, will increase its value-added production capacity while reducing the size of its environmental footprint thanks to two Growing Forward grants, approved through the Alberta Livestock and Meat Agency (ALMA). The grants, totaling C\$1.6 million, will be distributed over two years and will allow the packer to modernize its

Brooks, Alberta facility by upgrading the trim sorting and ground beef lines, thus doubling the plant's beef grinding capacity and allowing it to provide higher-quality beef trim to value-added processors. The funding will also support the installation of new technology in two areas of the plant allowing reuse of its water supply, reducing wastewater and recycling salt. XL Foods Inc. is part of the Nilsson Bros. Group, a diverse agri-business involved in all facets of beef and cattle production, marketing and processing. XL Foods operates facilities in Alberta, Saskatchewan, Nebraska and Idaho.

Government Invests in Competitiveness of Hog Industry

Agriculture Minister Gerry Ritz announced an investment of more than C\$3.7 million to strengthen the Canadian Pork Council's national swine traceability system, bringing the total investment for this initiative up to C\$7 million. PigTrace Canada, is designed to track the movement of hogs, with Phase 1 of this initiative focused on the creation of a tag distribution system, while Phase 2 will focus on creation of a national centralized database. A national traceability system will give Canada a competitive edge when working to access new markets, and it can also be used as a marketing tool for producers to help get a better return for their products. During a potential animal disease outbreak, a national database would allow the Canadian Pork Council to quickly identify the farm source for a subject hog and any other animals which may have been in contact with the hog, in an effort to limit the economic and trade impacts of such emergencies.

To find out more about this initiative, please visit www.agr.gc.ca/cifsi.

Livestock Producers Affected by Excess Moisture Receive Help

The federal government recently announced additional help for livestock producers in Manitoba and Saskatchewan who have been struggling as a result of excess moisture in 2010, by expanding the list of designated areas eligible for tax deferrals. The tax deferral allows eligible producers in designated areas to defer income tax on the sale of breeding livestock for one year, to help replenish breeding stock in the following year. Following the November 5, 2010 announcement, assessment of the excess moisture situation continued as more data about forage yields were known. In addition to tax deferrals, existing federal-provincial Business Risk Management programs, such as AgriInsurance (crop insurance), AgriStability and AgriInvest, will significantly help producers manage the impact of this natural disaster as the first lines of defense to address income shortfalls.

For more information on the extent of the excess moisture situation or programs to assist farmers, or for a complete list of designated areas for the 2010 Tax Deferral Program, see the AAFC Drought Watch site at: www.agr.gc.ca/drought.

Canada Resumes Beef Exports to Costa Rica

The federal government announced that Costa Rica has reopened its market to allow for full, unrestricted access to Canadian beef and beef product exports. Like many countries, Costa Rica closed its beef market to Canada following the discovery of bovine spongiform encephalopathy (BSE) in 2003. Resumed access to Canadian beef in Costa Rica will be celebrated on March 10th, 2011, when Canada's Ambassador to Costa Rica, Cameron MacKay, joined by renowned Chef Eduardo Alvarez, will host an event to showcase Canadian beef at the Official Residence in San José. International buyers, Costa Rican government officials and media representatives will be

among those in attendance at the Canadian-style barbecue. In addition to Canadian beef, the event will also highlight other Canadian world-class agricultural products such as pork, canola, lentils, beans, chickpeas and mustard. In recognition of the benefits of free trade to their economic and trade relationship, Canada and Costa Rica are currently in discussions to expand their bilateral Free Trade Agreement, signed in 2002.

Bill to Reform Approval Process for GM Seeds Voted Down

A controversial private member's bill, that would have required an "analysis of potential harm to export markets" before federal permission is granted for the sale of new GM seed, was voted down in the House of Commons on February 9, 2011. Bill C-474 proposed amendments to Canada's federal Seeds Regulations. The bill author, Alex Atamanenko, the New Democratic Party's (NDP) agriculture critic, stated that he introduced the bill because he felt that the current approval process is inadequate because it does not take into account market acceptance considerations. The bill was voted down 176 to 97 with members of the Conservative government and the Liberal opposition rejecting the bill, and members of the NDP and the Bloc Quebecois voting in favor of the bill. While the failure of the bill's passage was not surprising, the fact that the bill made it to a third reading surprised many.

More information on this bill is available on the Parliamentary website at the following URL address:

<http://www2.parl.gc.ca/Sites/LOP/LEGISINFO/index.asp?Language=E&query=6910&List=toc&Session=23>

Exchange Rate: Noon rate, February 17, 2011 (Bank of Canada): U.S. Dollar = C\$ 0.9839