

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Date: 03/30/2011

GAIN Report Number: CA110013

Canada

Post: Ottawa

This Week In Canadian Agriculture - Issue 7

Report Categories:

Agriculture in the News

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Report Highlights:

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Ontario Government to Deliver New Risk Management Programs for Farmers

The Ontario 2011 Budget tabled on March 29 for the period April 1, 2011 to March 31, 2012 announces the extension of the current Risk Management Program for grain and oilseed farmers and the commitment to implement a new Risk Management Program for the cattle, hog, sheep and veal sectors, as well as a Self-Directed Risk Management Program for the edible horticulture sector. The Ontario Liberal Party holds the majority so there is no doubt that this budget will pass. The cost of these programs will be shared between the Ontario government and farmers, however, "Ontario strongly encourages the federal government to partner with the province". The government recognizes that volatility in commodity markets can make it difficult for farmers to manage business risks. Risk management programs can help mitigate these difficulties by providing stable support for managing costs. At this point there is no indication as to how much these programs would cost the government, but it is possible the figure to be in excess of C\$ 100 million annually.

CFIA to Amend the Feeds Regulations

The Canadian Food Inspection Agency (CFIA) is preparing to update the *Feeds Regulations*, specifically Schedules IV and V (which include the lists of ingredients that have been evaluated and approved by CFIA for manufacture, import, and sale for use in livestock feed in Canada) and sections of the Regulations referring to these Schedules.

As part of the Agency's regulatory process, stakeholders are notified of any regulatory changes under consideration before pre-publication of proposed amendments in the *Canada Gazette*. The changes to the *Feeds Regulations* being considered include:

- Updating Schedules IV and V to include all the new ingredients and changes to existing listed ingredients, approved since the last regulatory update; and
- Amending certain provisions in the Regulations to permit the immediate manufacture or import and sale of a new feed ingredient as a single ingredient feed, and its use in mixed feeds, once the CFIA has completed an evaluation and approval of the ingredient. This amendment would seek to bridge the period between the approval of a new feed ingredient and its incorporation into Schedule IV or V.

For more information please visit:

<http://www.inspection.gc.ca/english/anima/feebet/ind/20110301e.shtml>

and

[Backgrounder: Proposed amendments to the *Feeds Regulations*](#)

Saskatchewan Launches New Biodiesel Program

A five-year, C\$26 million provincial incentive program for renewable diesel production in Saskatchewan will start in April, with a mandatory minimum renewable fuel requirement for diesel to follow 15 months later (July 2012). The program, announced on March 23 as part of Saskatchewan's 2011-12 provincial budget, will provide a grant of 13 cents per liter to eligible producers of renewable diesel – diesel made from renewable materials such as off-grade canola and farm and forest biomass. The program is to begin April 1 this year and to wind up in 2016. The province's two per cent renewable diesel mandate is scheduled to kick in on July 1, 2012.

The program "will stimulate value-added production and create jobs in Saskatchewan and ensure a Saskatchewan market for diesel from canola," provincial Enterprise Minister Jeremy Harrison said in a release. Brett Halstead, Chairman, SaskCanola, the province's farmer-led canola development

commission, hailed the grant program and mandate as recognizing "the significant importance of a growing Saskatchewan biofuel industry in which canola can be the leader". The federal government's two per cent renewable content mandate for diesel and heating oil is expected to take effect July 1 this year.

Alberta-Canada Export Partnership Launched

The federal and provincial governments have announced on March 18 an Alberta-Canada Export Partnership to help boost Alberta's agriculture exports and to help agri-food exporters succeed in priority international markets. With a shared investment of more than \$2.1 million, the Alberta government and Agriculture and Agri-Food Canada will deliver *New Products, New Markets* initiatives to facilitate trade relationships with priority markets. The initiatives will help expand international trade connections between Alberta's agri-food exporters; deliver customized, results-oriented service to Alberta exporters; and enhance the global competitiveness of Alberta's agriculture industry. *New Products, New Markets* initiatives will help Alberta agri-food exporters identify export opportunities and access custom market intelligence, in-market expertise, and aids in business matchmaking.

House Committee Reports on Canada-United States Trade Relations

Following a recurrent field mission to Washington D.C. on March 1-2, the House of Commons Standing Committee on International Trade submitted its sixth Report on the State of Canada-United States Trade Relations. The Report notes that "many of the members of the U.S. Congress that the Committee met, particularly newly elected ones, were surprised to learn that Canada and the United States are each other's largest trading partner", given that China is currently the main focus of policy makers. On issues related to agriculture, the Report notes that "during U.S. Department of Commerce-led consultations with industry stakeholders, food safety regulations and standards were identified as one of the targeted areas for increased regulatory cooperation with Canada". The full Report can be found here:

<http://www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=5066385&Language=e&Mode=1&Parl=40&Ses=3>

Consultations on *Growing Forward 2: 2013-2018* Defined

Canada's future version of a "Farm Bill" has a prescribed schedule for reviewing the current program. In July 2008, Federal/Provincial/Territorial (FPT) Ministers announced the completion of the Growing Forward framework, with a "vision for a profitable and innovative agriculture, agri-food and agri-based products industry that seizes opportunities in responding to market demands and contributes to the health and well-being of Canadians". This current 5-year Growing Forward policy agreement expires on March 31, 2013 and a successor framework must be ready for implementation on April 1, 2013. More information can be found at these links:

- [Industry and Public Engagement](#)
- [Agricultural Policy Evolution](#)
- [Growing Forward 2 Discussion Paper](#)

Canada Requests a WTO Panel on European Union Seal Ban

Canada is moving forward with its challenge on the European Union's ban on seal products by requesting for the second time the establishment of a World Trade Organization (WTO) dispute settlement panel to examine the matter. In February, Canada first announced that it was requesting

the establishment of a WTO panel, but the request was blocked by the European Union. Under the rules of the WTO however, a panel is automatically established after a second request, which Canada submitted on March 25. Norway, another complainant in this dispute, has also moved ahead with its first request for a WTO panel to rule on the European Union seal ban.

Exchange Rate: Noon rate, March 29, 2011 (Bank of Canada): U.S. Dollar = C\$ 0.9714