

USDA Foreign Agricultural Service

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Global Agricultural Information Network

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Approved By:

Robin Tilsworth

Prepared By:

Mariano Beillard

Report Highlights:

Canada's Slaughter Improvement Plan * Canadian Canola Exports Threatened by Chinese Ban *
Increased Atypical Scrapie Detections * Rollout of 2009 AgriStability Targeted Advance Payments for
Hog Farmers

General Information:

Canada's Slaughter Improvement Plan

Agriculture Canada reports that as part of the Slaughter Improvement Plan (SIP), which is under the Economic Action Plan, Ottawa will conditionally approve a loan of up to C\$10 million to Keystone Processors, Ltd., to improve market access for Manitoba beef overseas. The Manitoba Cattle Enhancement Council announced that it will also invest up to C\$7.5 million in Winnipeg-based Keystone. Investment in processing capabilities will bring Keystone up to federal and EU certification standards. Canada's C\$50 million SIP make federal repayable contributions available to meat packing

and processing plants seeking to reduce costs, increase revenues, and improve operations.

Canadian Canola Exports Threatened by Chinese Ban

Press reports indicate that Agriculture Canada and the Canadian Food Inspection Agency (CFIA) officials hope to convince China to abandon or delay its threatened November 15, 2009, ban on rapeseed (canola) that is not certified 100 percent blackleg-free. China notified CIFA on October 20 of its intent to impose a ban. Rapeseed experts sustain that it is impossible to certify commercial shipments. Blackleg is widespread throughout the world, including China. Being a soil-borne pathogen, blackleg is present wherever there is soil. Trace amounts of soil are present in all rapeseed shipments. China sustains that Canada and Australia are home to the most virulent strains of blackleg. Australian rapeseed, tested since September, is deemed to have unacceptable levels. In marketing year 2008/09 (August/July) Canada exported to China 2.9 million metric tons, or 38 percent, of its rapeseed crop valued at \$1.2 billion. China was Canada's largest rapeseed market in 2008/09. Since China's notification, prices have fallen by C\$20 per ton.

Increased Atypical Scrapie Detections

Press reports indicate that increased surveillance is catching what otherwise would have been unreported findings of atypical scrapie in sheep. In 2009, five new cases have been reported in Quebec, Ontario, Alberta, and Saskatchewan. With the exception of Quebec, all cases have been diagnosed as being the atypical form found in older animals. Canada encourages producers to join its voluntary surveillance program in order to gain scrapie-free status. The World Animal Health will not classify Canada as scrapie-free until no new cases are reported for seven years. The Canadian Sheep Federation is calling on the government to fund a wider surveillance program in order to establish the level of prevalence prior to setting an eradication date. Besides long-term testing, industry is calling for a compensation program for farmers who report unusual deaths in their flocks.

Rollout of 2009 AgriStability Targeted Advance Payments for Hog Farmers

Over the past couple of weeks Agriculture Canada has announced that federal and provincial authorities will advance to hog producers in Manitoba, New Brunswick, and Saskatchewan up to 75 percent of estimated 2009 targeted advance payments. The funding adjusts payment rates based on a producer's need for further advances. The 2009 targeted advance payments of an additional C\$1.2 million allows New Brunswick hog producers to access C\$3.3 million in funding, of which C\$2.1 million was offered earlier this year. New Brunswick's hog herd size (as of July 2009) standing at roughly 81,000 head represents a small fraction of Canada's hog herd (12.1 million head). However, Manitoba (2.5 million head) and Saskatchewan (810,000 head) herds represent a larger fraction of the Canadian hog herd, commanding proportionally bigger payments. Manitoba producers have already claimed C\$22 million in targeted advance payments. With C\$70 million in new funding, nearly 300 additional Manitoba producers will be accessing an expanded targeted advance payment fund of C\$92 million with average advances in the range of C\$317,000 per farmer. AgriStability is a business-risk-management program under Growing Forward, a federal-provincial incentive program. The program provides producers with assistance if margins fall below average.

