

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

Date: 12/15/2010

GAIN Report Number: CA0049

Canada

Post: Ottawa

This Week in Canadian Agriculture Issue 21

Report Categories:

Agriculture in the News

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Report Highlights:

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Canadian Wheat Board (CWB) Election Results Deliver No Surprises

The CWB director elections for odd-numbered districts were announced late on Sunday, December 12, 2010. As in 2008, this year's Canadian Wheat Board (CWB) director elections had the potential to significantly impact the future direction of the Canadian Wheat Board. As in 2008, voters chose to maintain the status quo and keep single-desk supporters in the majority position on the CWB board. There are fifteen directors on the board, five are politically appointed, and ten are farmer-elected. Every two years, five of the farmer-elected positions are open. This year, elections were held in the odd numbered districts. Only one of the newly-elected directors is what is considered to be "pro-deregulation", the other four support the single-desk. According to the farm press, the focus on the deregulation as a platform was absent and this may have contributed to the lower participation rates. Voter participation in the 2010 director elections was 41.3%, down over 10 percentage points from the elections in the same, odd-numbered districts in 2006. The response rate in the 2008 elections for the even numbered districts, during which the potential move to an open-market was getting significant profile, was 52.8%. The newly-elected directors, which serve four-year terms, officially take office December 31, 2010. More on the director elections results can be found on the CWB website: http://www.cwb.ca/public/en/newsroom/releases/2010/news_release.jsp?news=121210.jsp

Canadian Flax Industry Given Federal Funding to Aid in CDC Triffid Testing

Canada's federal Agriculture Minister, Gerry Ritz, issued a news release on December 10, 2010, to announce C\$3 million in federal funding to help the Canadian flax industry deal with the fall-out from an incident in 2009 where Canadian flax shipments to the European Union were found to have trace amounts of CDC Triffid, an unapproved genetically modified (GM) type of flax. The event destroyed Canada's biggest flax export market, and Canada is still struggling to regularize flax trade with Europe. Terry James, Chairman for the Flax Council of Canada said that the funding will go to help with GM testing under the "Flax Stewardship Program." In March 2010, a revised domestic stewardship program designed to help the Canadian flax industry meet Europe's stringent requirements was announced. The revised domestic stewardship program allows producers to use their own non-pedigreed seed for planting provided it first undergoes the same intense sampling and testing procedures as those used for certified seed being tested for Triffid. There is no allowable threshold level of Triffid acceptable for planting seed. In addition, as of September 2010, Canadian flax entering the commercial grain handling system is subjected to extremely rigorous testing for the presence of Triffid. Producers must have a 2 kilogram sample tested from an approved laboratory. The laboratory draws and tests four 60 gram subsamples. All four lots must be Triffid-free for the test to be considered negative. The new procedures brought in to meet the strict protocols to ship to the Europe market have doubled the testing costs for producers. The federal funding comes from the Canadian Agricultural Adaptation Program (CAAP), a five-year, C\$163-million national initiative whose goal is to help the Canadian agricultural sector adapt and remain competitive. The CDC Triffid incident has resulted in the Canadian government devoting significant resources to updating its international engagement strategy to biotech and undertaking a review of its domestic policy to low-level presence (LLP).

Pork Processing Plant to Re-open in Saskatchewan

In early December, the federal government announced an investment of more than C\$1.7 million to Donald's Fine Foods, a British Columbia-based company, for the refurbishing of its facility in Moose Jaw, Saskatchewan. This repayable contribution will aid in the purchase of new slaughter and meat processing equipment and will reintroduce pork slaughter capacity to Saskatchewan. At full capacity, the plant will process 1,200 hogs a day, five days a week, or about 300,000 per year (about 20 percent of the province's hog production). Pat Nicholson, general manager, said he expects products to go to Asia and Russia. The plant is federally inspected and the company will be applying for European Union certification. Nicholson said the plant will operate as a skinning operation which will make a difference in terms of chilling, when compared to a scald plant that leaves the hide on, and creates a different product. "(The company) will go after a more niche market because it's a skinless hog," Nicholson said. "The plant will employ lean manufacturing techniques and use the entire carcass", he added. The federal funding comes from the Agricultural Flexibility Fund, a five-year (2009-2014) C\$500 million fund to implement new initiatives whose goals are to help the agricultural sector adapt and improve competitiveness.

New Brunswick to Institute Mandatory Post-harvest Testing of Seed Potatoes

The government of the province of New Brunswick has introduced legislative amendments to the *Potato Disease Eradication Act* to establish the maximum acceptable levels of Potato Virus Y (PVY) for all seed potatoes that are tested in accordance with the provincial regulations. Current regulations require mandatory post-harvest testing to reduce the risk of disease in the province's potato seed stock. New Brunswick potato growers have requested the institution of such measure for several years. PVY is the most common potato viral disease in New Brunswick and results in reduced yields, higher input costs and a reduced share of the seed potato market. Provincial authorities claim that "planting seed that has low virus levels is the most important step in controlling the virus". Beginning next year, all seed to be planted in New Brunswick would need to be sent for post-harvest laboratory testing for PVY. According to the government press release, these new amendments will allow for the results of these tests to be reviewed by an advisory council "who will make a recommendation to the minister on what the maximum PVY levels should be". The program would be instituted gradually giving producers a few years to adjust to the program and lower the virus levels in their potato seed. Potatoes are the leading agricultural cash crop in New Brunswick. The government press release can be viewed at the following web-address: <http://www1.gnb.ca/legis/bill/editform-e.asp?ID=836&legi=57&num=1> The private member's bill with the proposed the amendments can be viewed at the following web-address: http://www2.gnb.ca/content/gnb/en/news/news_release.2010.12.1857.html

Pilot Projects to Facilitate Interprovincial Meat Trade

The federal government recently announced an investment of up to C\$3 million for a series of pilot projects that will investigate and help better position provincial meat processors to move product across the country while keeping with Canada's federal food safety standards. Currently, provincial slaughterhouses and meat processors, which tend to be of a small size, cannot sell products outside their provinces. These pilot projects are part of a roadmap that is supposed to expand interprovincial trade in meat. Officials will work with industry to validate new inspection procedures, collect samples and information, and determine what technical procedures could be adapted to better reflect the operating environments of meat processors of all sizes. Interested non-federally registered meat processors and

slaughterhouses are invited to submit their application by January 7. Then, businesses will be selected based on the goal of providing an appropriate representation of meat processing activities across Canada. The pilot project will begin in February 2011. The federal funding comes from the Agricultural Flexibility Fund, a five-year (2009-2014) C\$500 million fund to implement new initiatives whose goals are to help the agricultural sector adapt and improve competitiveness.

Exchange Rate: Noon rate, December 15, 2010 (Bank of Canada): U.S. Dollar = C\$1.0035