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Global Agricultural Information Network

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Report Highlights:

Statistics Canada Releases March Seeding Intentions *New Canadian Wheat Board May Market Canola in 2012/2013 * Canada Signs Agricultural Memorandum of Understanding with Morocco * Canada's Agricultural Sensitivities A Drag on Trade Talks *

* Churchill Port Utilization Program to Support Grain Shipments Launched

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.

Statistics Canada Releases March Seeding Intentions

Statistics Canada released the results of its March seeding intentions surveys on April 24, 2012. Survey results suggest that much more acreage will be seeded in 2012 compared to 2011 levels as summerfallow levels are expected to fall 68% from 2011 levels. A large part of this increase is attributed to a return to more normal seeding levels after farmers in Western Canada faced difficult and wet spring 2011 planting conditions which forced them to leave many acres fallow. Good weather and strong prices in 2012 are also resulting in much optimism. According to the survey result, Canadian farmers anticipate seeding 9,843.4 thousand hectares of wheat in 2012, an increase of 13.3% over 2011 seeded area. Canadian farmers also stated their intentions to seed 3,224.5 thousand hectares to barley and 1,373.1 thousand hectares to oats, an increase of 23.1% and 9.1% from 2011 levels, respectively. For oilseeds, areas seeded to canola is expected to reach records highs with seeding intentions reported at 8,244.3 thousand hectares, an increase of 8.0% over already high 2011 levels. In Eastern Canada, farmers anticipate seeding a record area of corn for grain. Survey results suggest that area planted to corn for grain, most of which is planted in Ontario and Quebec, could reach 1,441.3 thousand hectares, an 18.4% increase over 2011 levels. While an unusually warm March had Canadian farmers considering the possibility of early seeding, the Canadian Wheat Board reports that a return to normal weather patterns in April has resulted in spring seeding being close to on par with normal.

The Statistics Canada Field Crop Reporting Series – March (2012) Intentions of Principal Field Crop Areas is available at the following URL address:

<http://www.statcan.gc.ca/pub/22-002-x/22-002-x2012002-eng.pdf>

New Canadian Wheat Board May Market Canola in 2012/2013

Canadian Wheat Board officials have acknowledged the possibility that they include canola in the 2012/2013 crops they will be marketing, but stated that they are currently focusing on marketing wheat, durum and barley. In addition, they are still working on securing grain handling agreements with Viterra and Richardson International. To date, they have only secured grain handling agreements with Cargill and Saskatchewan's South West Terminal. Marketing canola through the CWB is not a new idea as it was explored by the Manitoba Canola Growers Association in late April 2011. At that time, MCGA stated that based on discussions with the CWB, it had been determined that a minimum of 200,000 metric tons of canola from the Prairies would be required to make a program through the CWB possible

(about 2% of 2010 canola crop). The MCGA dropped the voluntary marketing option for canola with the Canadian Wheat Board citing "insufficient interest". The Alberta Canola Growers Association, as well as SaskCanola, had publically distanced themselves from support for such a program. Farmer interest in such a program may increase for the 2012/2013 crop however, now that the Canadian Wheat Board mandate has been changed and western Canadian wheat and barley will be traded in an open market.

Canada Signs Agricultural Memorandum of Understanding with Morocco

Canada's Minister of Agriculture, Gerry Ritz, issued a press release on April 26, 2012, announcing a successful trade mission to Morocco where he signed a Memorandum of Understanding on agricultural co-operation. Canada is currently pursuing a free-trade deal with Morocco. Agricultural products account for the vast majority of trade between Canada and Morocco, totaling more than \$188 million in 2011. Canada is the top supplier of durum wheat to Morocco with durum exports to Morocco valued at more than \$132 million in 2011. Minister Ritz is currently on a trade mission to deepen trade ties with the Middle East.

Canada's Agricultural Sensitivities A Drag on Trade Talks

A major public relations campaign by the federal government to highlight the benefits of a potential EU-Canada is planned to begin on April 27, 2012, despite the fact that formal offers haven't yet been exchanged on the sensitive agriculture issues. Ambassador Matthias Brinkmann, the European Union's Ambassador to Canada, stated that Canadian beef producers may be disappointed and not get the long-sought access to the huge European market unless Canada's heavily protected dairy sector is exposed to greater competition. This statement echoes a view presented in a report by Michael Gifford, who was Canada's chief agricultural trade negotiator around the Canada-US Free Trade Agreement and the North American Free Trade Agreement. The report titled "Golden Opportunities and Surmountable Challenges for Canadian Agriculture in Asia" is Mr. Gifford's fourth in a series of reports commissioned by the Canadian Council of Chief Executives (CCCE) to explore the impact on Canada of Asia's growing economic power. It is especially relevant with Canada seeking entry into the Trans-Pacific Partnership talks, and Canada's federal government's unwillingness to put Canada's supply managed sectors on the table, a deal breaker for some members (especially the United States, New Zealand and Australia). The report outlines the growing demand from Asian countries for meats, fats, oil and fruits, and argues that if the high agricultural tariffs would be waived for certain countries in a free trade zone (such as the potential TTP), the involved countries could reap substantial rewards. The report also warns that for the countries left out, there could be disastrous consequences.

A link to the report is available at the following URL address:

<http://www.ceocouncil.ca/news-item/asias-rise-is-a-golden-opportunity-for-canadian-farmers-and-agricultural-processors-report-says>

Churchill Port Utilization Program to Support Grain Shipments Launched

On April 13, 2012, Agricultural Minister Gerry Ritz formally launched the five-year, \$25 million Churchill Port Utilization Program (CPUP), a program to support shipments of a variety of grains through the Port of Churchill. This program is part of a transition measure with the main user of the Hudson Bay port of Churchill Manitoba, the Canadian Wheat Board, transitioning from a state trading enterprise with mandated marketing control over Western wheat and barley, to a commercial entity that will be operating in an open

market. The program seeks to help maintain the historical volume of grain going through the port. The incentive, which for 2012 has now been set at \$9 per ton, is to apply to the cost of shipping eligible grain from its initial point to where it's loaded in Churchill on an outbound ocean-going vessel. Commodities eligible for the incentive include barley, wheat, canola, rapeseed, corn, peas, oats, buckwheat, chickpeas, flaxseed, lentils, mixed grain, mustardseed, rye, safflower seed, solin, sunflower seed and triticale. Beans, with the exception of soybeans and fababeans, are also eligible.

The Agriculture and Agri-food Canada news release regarding the program launch can be found at the following URL address:

http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n120413

More information on the Churchill Port Utilization Program and application process is available at the following URL address:

<http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1333034147404&lang=eng>

Exchange Rate: Noon rate, April 27, 2012 (Bank of Canada): U.S. Dollar = C\$.9911

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CA12014	Grain and Feed Annual - Canada	04/03/2012
CA12011	Retail Food Sector Report for Canada	03/16/2012
CA12010	This Week in Canadian Agriculture, Issue 6	03/02/2012
CA12009	Livestock Semi-annual	03/02/2012
CA12008	This Week in Canadian Agriculture, Issue 5	03/02/2012
CA12006	Northern Trends – Winter 2012	02/03/2012
CA12005	Grain And Feed Quarterly	01/27/2012
CA12004	This Week in Canadian Agriculture, Issue 4	01/25/2012
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