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## Canada

### Agricultural Situation

## This Week in Canadian Agriculture, Issue 29 2003

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**Report Highlights:**

Former Prime Minister Ready to Advise on BSE Ban \* Canada Hopeful that U.S. Segregation System Will Open Border \* BSE Restrictions Affecting Dairy Industry \* Alberta Premier to Launch Letter Writing Campaign Over BSE \* Ontario Considers Mass Cattle Cull \* New Manitoba Crop Dusting Rules Announced To Prevent Terrorist Attacks \* Canadian Wheat Board Lowers Crop Projections \* New Blackleg Strain Appears in Manitoba \*

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1]  
[CA]

This Week in Canadian Agriculture is a weekly 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 report 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.

**FORMER PRIME MINISTER READY TO ADVISE ON BSE BAN:** Brian Mulroney, former Prime Minister of Canada, has agreed to serve as special advisor to a proposed delegation intent on convincing U.S. leaders to open the borders to Canadian beef. The delegation, proposed in a letter to Prime Minister Jean Chrétien by Progressive Conservative leader Peter McKay, would be comprised of members from all parties and would lobby Washington D.C. to lift the 11 week-old beef ban. During his time in office, Mr. Mulroney focused on a close relationship with the administration of George Bush Sr., and has stated that he is prepared to help the crisis in whatever way he can. Although many people with ties to the Canadian beef industry seem supportive of the proposed delegation, Thoren Hudyma, a spokeswoman from the Prime Minister's Office has stated, "We are confident we are using the right amount of political involvement on the file. At this point, there are no plans to have an all-party delegation to the States."

**CANADA HOPEFUL U.S. "SEGREGATION" SYSTEM WILL OPEN BORDER:** Key talks regarding Canadian cattle have once again been held this week between U.S. and Japanese officials. The delegations are trying to come up with a system to segregate Canadian beef from U.S. exports to Japan. If a new system can be created, an agreement could be reached between Canada and the U.S. that would re-open the border to Canadian beef, and relieve some of the strain the Canadian beef industry has faced since the borders due to BSE in late May. Canadian Agriculture Minister, Lyle Vanclief has stated that he expects the U.S. will allow Canadian beef imports by September 1, which is also the deadline Japan has imposed on the U.S. to ensure that no Canadian beef entering the U.S. is shipped to Japan.

**BSE RESTRICTIONS AFFECTING DAIRY INDUSTRY:** According to Jean Grégoire, President of Dairy Farmers of Canada (DFC), the impact of the BSE fallout on the dairy industry is of increasing concern to Canadian dairy producers. In a press release, he said that given the duration of border closures to Canadian bovines, there are too few abattoirs in Canada and they are not taking more animals, especially if they are over 30 months of age, like culled dairy cows. About 70% of culled dairy cows are normally exported to the United States and Mexico. According to information gathered by the Canadian Livestock and Genetics Association, export sales of dairy replacement heifers in 2003 were on pace to exceed 100,000 head with a value of C\$200 million. Up until the U.S. border was closed to Canadian cattle on May 20, 2002, about 37,000 head valued at C\$69 million had been shipped. Traditionally, about 65% of exported heifers go to the United States. The DFC claims that not only are dairy producers losing revenue from the sales of those animals but they are now faced with the expense of maintaining them and dealing with the extra milk that will be produced as bred animals continue to calve.

**ALBERTA PREMIER TO LAUNCH LETTER WRITING CAMPAIGN OVER BSE:**

Ralph Klein, Alberta's premier has started writing letters to U.S. companies with subsidiaries in Canada to urge them to end the ban on Canadian beef. Klein stated he is trying to warn American firms that the U.S. ban on Canadian beef imports is hurting their Canadian operations. Klein has also said he might be intending to invite Japanese journalists to Alberta and other provinces to view firsthand the safeties of Canadian beef, and how the

country has been coping with the BSE crisis. The Japanese media tours would consist of visits to local ranches and meetings with beef producers and Canadian scientists.

**ONTARIO CONSIDERS MASS CATTLE CULL:** The August 6<sup>th</sup> edition of *The National Post* reported that Ontario's Minister of Agriculture stated if international markets remained closed to Canadian beef, Ontario might have to consider other options, and a mass cattle slaughter could be a possibility. Helen Johns stated that Ontario isn't in as serious of an excess supply situation as the Western Provinces because there is a big consuming public in the area, and those consumers have started eating more Ontario beef in the last weeks. But, she warned that growing numbers of cattle ready for market with nowhere to go has forced the province to consider a severe cull as one option. Ontario's Agricultural Ministry estimates the 40,000 cattle currently ready for slaughter could grow to 120,000 by December if international borders do not reopen.

**NEW MANITOBA CROP DUSTING RULES ANNOUNCED TO PREVENT TERRORIST ATTACK:** The administration of Manitoba's Premier, Gary Doer has recently approved regulations to prevent would-be terrorists from stealing ammonium nitrate or using planes or municipal spray equipment to spread lethal chemicals. One of the new rules requires anyone who has high-density ammonium nitrate fertilizer to call the Royal Canadian Mounted Police (RCMP) whenever any amount noticeable by the human eye is missing or has been stolen. Another new regulation requires the owners of crop dusters to inform Manitoba's provincial government anytime the aircraft is leased or sold. These regulations also apply to fogging units—pesticide sprayers mounted on trucks and used by municipalities to control Manitoba's mosquito population. The regulations are a follow-up to security legislation introduced into Manitoba after the September 11<sup>th</sup> attacks on the U.S.

**CANADIAN WHEAT BOARD LOWERS CROP PROJECTIONS:** The Canadian Wheat Board (CWB) has lowered its projections for 2003-04 Western Canadian wheat, durum and barley crops. The lower projections are a result of the poor weather conditions in July that occurred across much of the Prairie Provinces. The CWB is now projecting a combined wheat and durum crop of 20.3 million tonnes, down 3 millions tones from earlier projections, and a barley crop of 11.4 million tonnes, down 1.3 million tonnes. Although lowered, the new predictions represent an improvement over Canada's 2002-03 drought devastated crop. The CWB has also lowered its previous projections for world wheat production levels to 545 million tonnes, citing deteriorating crop conditions in the European Union, Eastern Europe, and the former Soviet Union as the reason.

**NEW BLACKLEG STRAIN APPEARS IN MANITOBA:** Dr. Dilantha Fernando, a plant pathologist at the University of Manitoba has recently discovered a new strain of blackleg, not previously know to exist in Manitoba. Fernando discovered the new strain of the fungal disease after he started screening supposedly resistant canola plants that were showing high rates of blackleg infections. The new strain, which is thought to have arrived from seed multiplied abroad, is more virulent than existing strains. The new strain has not been identified in Saskatchewan or Alberta, but producers are warned that canola varieties rated resistant to blackleg can still become infected from previously existing strains.

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