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Global Agricultural Information Network

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This Week in Canadian Agriculture - Issue 17

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Report Highlights:

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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.

Canadian Wheat Board Initiated Plebiscite Suggests Continued Farmer Support for Single Desk, Especially for Wheat

The results of the non-binding, Canadian Wheat Board (CWB) initiated farmer plebiscite held to determine the will of Western barley and wheat producers with regards to the Canadian government's plans to remove the CWB's single desk authority over Western Canada wheat and barley for export and human domestic consumption were announced September 12, 2011. The results indicated that, of the eligible voters that participated (almost 37,000, or 56 percent of wheat growers, not weighted by sown area), for wheat, 62% wish to continue to market their wheat through the single desk, while 38% wish to market through the open market. For barley, results indicated that 51% of voters (about 12,300 total, or 47 percent of barley growers, not weighted by sown area) prefer to market their barley through the single desk, while 49% want to do it through the open market. While the CWB board of directors hopes that these results will sway the Canadian government's decision, the Minister of Agriculture stated, before the results were known, that the government will proceed with plans to provide farmers the freedom to market their grain, regardless of the vote results. The vote was held between July 5 and August 24, 2011. More details on the results of the farmer plebiscite are available at the following URL address: <http://cwbvote.ca/>.

Statistics Canada Report Reports Larger than Expected Supplies for Wheat and Canola

Statistics Canada released its *Stocks of Principal Field Crops at July 31, 2011* report on September 7, 2011. The report revealed larger than expected supplies for canola and all wheat. Agriculture Canada's outlook published on August 4 forecast all wheat carry-out stocks for 2010-11 at 6.4 million metric tons (MMT), and canola carry-out stocks for 2010-2011 at 700 thousand metric tons (TMT). The newest Statistics Canada puts the true numbers closer to 7.189 MMT for wheat and 1.828 MMT for canola. Industry is speculating that this surprising result is due to underestimated production levels for the 2010-11 crops. The errors will likely be corrected reports published in October or December. The Statistics Canada reports is available at the following website: <http://www.statcan.gc.ca/pub/22-002-x/22-002-x2011006-eng.htm>

Preparations for Anticipated Integration of North American Grains Market has Begun

The international grains market is preparing itself for the anticipated integration of the North American grains market on the expectation that the Canadian government will follow through on its plans to revoke the CWB's single desk authority over Western wheat and barley by August 1, 2012. Hoping to compete with the Intercontinental Exchange's (ICE) Futures Canada exchange, which is scheduled to offer Canadian wheat contracts beginning in January 2012, members of the Minneapolis Grain Exchange (MGEX) voted 262-6 in favor of changing a rule to allow the delivery of non-U.S. wheat against MGEX spring wheat futures. The MGEX board of directors had voted in favor of allowing non-U.S. wheat on August 16, 2011. Despite the endorsement of the rule change, MGEX grain traders have expressed some concerns with the lack of transparency and how the incorporation of Canadian wheat, which will likely make up the majority of non-U.S. spring wheat, into the delivery mechanism will take place. The rule change is expected to take place no later than May 2013.

The Farmer's Share

The Farmer's Share, a yearly research project which began in 2008 and funded by the three Prairie provinces' (Alberta, Saskatchewan, Manitoba) general farm organizations, reported that the Canadian Prairie farmer's share for vegetables, relative to what the consumer pays, has been gradually declining, while farmer's shares for grain and dairy show a slight increase in the snapshot taken in May, 2011. The study also reports that the farmer's share for meat and meat alternative has risen steadily over the four years of data collection, reflecting stronger farmer gate prices while the consumer cost remained stable. Overall, the data suggests farmers received about 39 percent of the total paid by consumers. More details on the study can be found at the following URL address:

<http://www.kap.mb.ca/Farmer's%20Share%202011.pdf>

Vietnam Open to Canadian Breeding Cattle, Sheep and Goats

Canada's Ministers of Agriculture and International Trade announced August 14, 2011, the re-opening of Vietnam's market to live Canadian breeding cattle, sheep and goats. Vietnam's Department of Animal Health formally approved Canadian export health certificate for live cattle, goats and sheep, becoming the first Asian market since 2003 to accept live Canadian breeding cattle, sheep and goats. Vietnam closed its border to Canadian live cattle and beef and beef products after Canada's first case of mad cow disease. The estimated value of this renewed trade is estimated to be close to \$C 50 million.

Canada-Columbia Free Trade Agreement Comes Into Force

The Canada Columbia Free Trade Agreement came into force on August 15, 2011. The agreement was originally signed in 2008 and then ratified in both countries. According to the government press release, the FTA will give Canada's exporters reduced or eliminated tariffs on nearly all of Canada's current exports to Columbia, and provide a more predictable, transparent and rules-based trading environment for Canadian investors and businesses. Representatives from the Canada's livestock, mining and grains industries all stated their support for the benefits that will come about from the FTA. More information on the Canada-Columbia FTA can be found at the following URL address:

http://www.international.gc.ca/media_commerce/comm/news-communiques/2011/230.aspx?lang=eng&view=d

Exchange Rate: Noon rate, September 12, 2011 (Bank of Canada): U.S. Dollar = C\$0.9957

Most Recent Reports from FAS/Ottawa:

Report #	Name of Report	Date Submitted
CA11046	Poultry Annual Report	08/17/2011
CA11044	Grain and Feed Quarterly	07/29/2011
CA11042	This Week in Canadian Agriculture – Issue 16	07/28/2011
CA11040	This Week in Canadian Agriculture – Issue 15	07/15/2011
CA11039	Biotechnology Annual Report	07/15/2011
CA11037	This Week in Canadian Agriculture – Issue 14	07/07/2011
CA11036	Biofuels Annual Report	07/05/2011
CA11035	This Week in Canadian Agriculture – Issue 13	06/17/2011
CA11033	Northern Trends – Spring Edition	06/02/2011
CA11032	Top Ten U.S. Fresh Vegetable Exports to Canada	05/27/2011
CA11029	Top Ten U.S. Fresh Fruit Exports to Canada	05/19/2011
CA11025	Agent and Broker Directory – Central Canada	05/03/2011
CA11023	2011 Canadian March Planting Intentions	04/29/2011
CA11022	U.S. Wine Exports to Canada Show Explosive Growth	04/21/2011