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Report Highlights:

Pig Virus Now Troubling Ontario Hog Producers * U.S. Not Protectionist On Mad Cow Says Think Tank * Canadian Cattlemen Anxious For Fully Open Border * Food Inspection Agency Clarifies Label Policy on "No Added Sugars" Claims

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

PIG VIRUS NOW TROUBLING ONTARIO HOG PRODUCERS: The Post-weaning Multisystemic Wasting Syndrome (PMWS) that killed hundreds of thousands of young pigs in Quebec in 2005, representing 3-5% of pork production in the province, is causing high death losses in Ontario hog herds. Larry Skinner, chair of Ontario Pork, the provincial pork board, told the farm press this week that Ontario mortality rates from the virus are running at 10 to 12 per cent — five to six times above the norm on affected farms. On the hardest-hit farms, the figure is as high as 40-50%. *Farmscape* reported that the veterinary drug company Merial has been granted a special permit to import Circovac, a European vaccine that can be administered to the sow to protect her offspring against Porcine Circovirus Type 2, the primary pathogen considered responsible for Post-weaning Multisystemic Wasting Syndrome. The vaccine is reportedly in high demand in Eastern Canada. A Canadian Pork Council official told the Office of Agricultural Affairs that the disease has not spread to western Canadian farms.

U.S. NOT PROTECTIONIST ON MAD COW SAYS THINK TANK: According to Dr. Alexander Moens, Professor of Political Science, Simon Fraser University, the U.S. government did not break trade law during the recent mad cow crisis, but applied international rules creatively to minimize trade distortions to the cross-border beef and cattle industry. The Fraser Institute, an independent public policy organization with offices in Vancouver, Calgary, and Toronto, released Dr. Moens' report yesterday. "The complaint frequently heard by Canadians that the American process to re-open the border amounted to a stealth form of protectionism is not borne out by the record," said Dr. Moens. In May 2003, the discovery of the first indigenous Canadian case of Bovine Spongiform Encephalopathy (BSE), caused a major disruption in a multi-billion dollar industry and threatened to unravel the successful integration of the U.S. and Canadian beef and cattle markets. Dr Moens says that both Canada and the United States suffered multi-billion dollar losses from the crisis, but given the difference in market size, the losses had a much greater impact in Canada. Exact cost estimates for the Canadian industry are difficult to make, but total losses in farm cash receipts for cattle and calves are believed to be in the C\$6-7 billion range in the 2003-2005 period. American beef exports losses amount to US\$5 billion over the same time period. According to Dr. Moens, careful rule making on the part of the US Department of Agriculture has paid off for Canada. Since the United States announced its decision to partially re-open the border, three more Canadian BSE cases have been found but have not affected trade. For a full copy of the report, go to: <http://www.fraserinstitute.ca/>

CANADIAN CATTLEMEN ANXIOUS FOR FULLY OPEN BORDER: The Canadian Cattlemen's Association (CCA) is holding its general annual meeting in Ottawa, March 28-31, 2006 and one of the items of discussion is the industry's anxiousness to gain access to the U.S. market for live cattle over 30 months of age. Stan Eby, the current CCA President, says "The U.S. has always been the volume market for the cull animals. We can process them here in Canada but we don't have the full competitive bidding that we see with the open border and that's where we want to get to." Eby lamented that the discovery of additional cases of BSE in Canada and the United States since 2003 appears to have set back progress on a full reopening of the border. The USDA is expected to publish a regulatory proposal during 2006 allowing live imports of older Canadian cattle. Its publication will be followed by a public comment period. Other business at the CCA meeting includes the election of the executive officers. It is widely anticipated that Hugh Lynch-Staunton, Lundbreck, Alberta, and the current Vice-President, will be voted in as the CCA's next President.

CFIA CLARIFIES LABEL POLICY ON "NO ADDED SUGARS" CLAIMS: In an information letter to industry, the Canadian Food Inspection Agency (CFIA) has clarified the nutrition labeling requirements respecting the nutrient content claim "no added sugars". Canada's new mandatory nutrition labeling regulations came into effect on December 12, 2005. Those regulations contain specific compositional and labeling criteria for nutrient content and health claims, including the "no added sugars" claim.

Whereas, the previous Canadian policy allowed for the claim "no added sugars" on foods containing other sweetening agents (such as honey, molasses, or fruit juice) when accompanied by a disclaimer such as "sweetened with (naming the sweetening agent(s))", the new policy removes that provision from Canada *Food and Drug Regulations*. According to CFIA officials, the criteria for the "no added sugars" claim are fairly consistent between the United States and Canada and the intent is clearly the same. However, whereas the U.S. rule specifically identifies "concentrated fruit juice" as one of several ingredients that cannot be present when a "no added sugars" claim is made, the Canadian rule defines added sugars and sugar sources in more general terms. Full details of the new Canadian label rule on "no added sugars" policy are available in the information letter. It is available at: <http://www.inspection.gc.ca/english/fssa/labeti/nutrition/sugsuce.shtml>

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