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GAIN Report

Global Agricultural Information Network

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Report Highlights:

Viterra to Invest \$34 Million in Grain Handling Network * Canadian Biodiesel Plant Achieves Shipment Milestone * Commercial Beekeepers Disappointed By Federal Report * Canadian Officials Continue CETA Promotion Tour

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.

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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.

Viterra to Invest \$34 Million in Grain Handling Network

In early November, Viterra, one of Canada's biggest grain handlers, issued a news release announcing that it will be investing over \$34 million into its Alberta elevator network. Viterra plans to construct a new high throughput grain terminal near Grimshaw Alberta which will have a 104 railcar loading capability and 30,000 tonnes of grain storage. Viterra also announced plans to expand its grain terminal in Grassy Lake, Alberta to increase its storage capacity from 22,500 tonnes to 36,500 tons. These investments, in addition to the infrastructure investments in Saskatchewan, are being done to increase farmer deliveries and gain efficiencies in the throughput.

More information on this announcement is available at the following URL address:

http://www.viterra.com/portal/wps/portal/canada/ca/news_ca/news_releases!/ut/p/c5/04_SB8K8xLLM9MSSzPy8xBz9CP0os3hLSw8LQycTA0v_ICMzA0_PUA-_kKAApwADY_1wkA6zeAMcwNFA388jPzdVvyA7rxwA5Krefw!!/dl3/d3/L2dJQSEvUUt3QS9ZQnZ3LzZfOTIIODFCNDA5OFIxNjBJMk5NR1BKTzFIMzM!/

Canadian Biodiesel Plant Achieves Shipment Milestone

Thanks to having secured a working capital facility of \$1,500,000 in mid-August, 2013, Methes Energies International has been able to secure sufficient feedstock and has been steadily increasing its biodiesel production volume. Methes issued a press release in early November to announce that 18 rail cars were shipped out of its Sombra, Ontario biodiesel facility in October for a total of over 1.8 million liters. As of July 1, 2011, Canada has had a federal mandate of two percent renewable content in diesel fuel. The eastern part of Canada was initially given an implementation exemption until June 30, 2013. Canada's biodiesel production, at an estimated 471 million liters in 2013, remains below the estimation of approximately 568 million liters needed to meet the federal standard if it was in full effect in 2013.

However, biodiesel production, due to the completion of new facilities, is expected to reach 646 million liters in 2014, surpassing production needed to supply the federal requirement.

The official press release can be found at the following URL address:

<http://ir.methes.com/phoenix.zhtml?c=251486&p=irol-newsArticle&ID=1872438&highlight=>

Commercial Beekeepers Disappointed By Federal Report

The Canadian Food Inspection Agency (CFIA) conducted an animal health risk assessment on importing honey bee starter packages from the continental United States and concluded that there is still a high probability of introducing diseases and pests if the ban was to be lifted. The report stated that prohibition on importation of honey bee packages from the continental USA should remain in effect, as it has since 1987. This was a disappointment for many Canadian commercial beekeepers who were hoping to have access to the less expensive U.S. honey bees in order to help recover from significant winters losses that have seriously damaged Canada's pollination industry. A starter kit can contain up to 10,000 bees. This issue has been a divisive issue for the Canadian beekeeping industry. While commercial beekeepers, which own approximately 83 percent of the honey bee colonies in Canada, argue for lifting the ban, small and medium sized beekeepers have argued strongly against it. Industry organizations are currently studying the report and have until November 25, 2013 to provide comments.

Canadian Officials Continue CETA Promotion Tour:

Over the last few weeks, Canadian officials have been on a whirlwind media tour to promote the benefits of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union, which had been announced on October 18, 2013. They have visited each province to expand on how CETA will bring benefits to each region and have generally been well received. Meetings to discuss the trade deal's impact on the dairy industry have also been organized. The dairy industry calculates that the additional access to the Canadian market is equivalent to 2.5% of the national milk production. The promise that the government will compensate producer if three years after full implementation producer incomes and production levels drop, the government will provide financial assistance was reiterated. In addition, promises to take action on the imports of pizza kits, an issue of specific concern to Canadian dairy farmers were also made. The Standing Committee on Agriculture has begun a study of the impact on CETA on Canadian agriculture. To date, representatives from the Canadian Cattlemen's Association, Canadian Agri-Food Trade Alliance, Grain Growers of Canada and the dairy industry have made presentations to the committee. Other than the representative from the dairy producers, the witnesses expressed an eagerness to compete with Europe. Representatives of the dairy producers expressed dismay and concern over the government's decision to open some of the dairy market to Europe.

More about the CETA can be found at the following URL address:

<http://actionplan.gc.ca/en/content/ceta-aecg/canada-eu-trade-agreement>

Exchange Rate:

Noon rate, November 13, 2013 (Bank of Canada): U.S. Dollar = C \$ 1.0468

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