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MARKETING FREEDOM IN CANADA: What It Means For The U.S. Grain Industry

Canada-U.S. Grain Trade Industry Task Group Symposium
Washington, D.C.
March 26, 2013

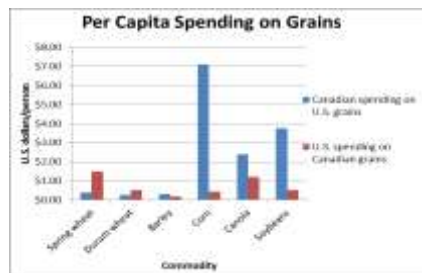
Steve Lavergne, Director, Grains and Oilseeds Division
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Canada



Trade in Agricultural Goods

- Canada and the U.S. are major agri-food traders.
 - The U.S. is the 2nd largest agri-food exporter in the world, Canada is the 4th largest.
- There is significant two-way trade in all grains






World's largest bilateral trading relationship

- Bilateral trade: close to \$708 billion in 2011 (in goods and services)
- \$1.9 billion of goods and services cross the border every day
- Canada is U.S.' biggest customer – we buy more from you than China, Japan, and the U.K. combined
- Trade with Canada supports more than 8 million jobs in the United States

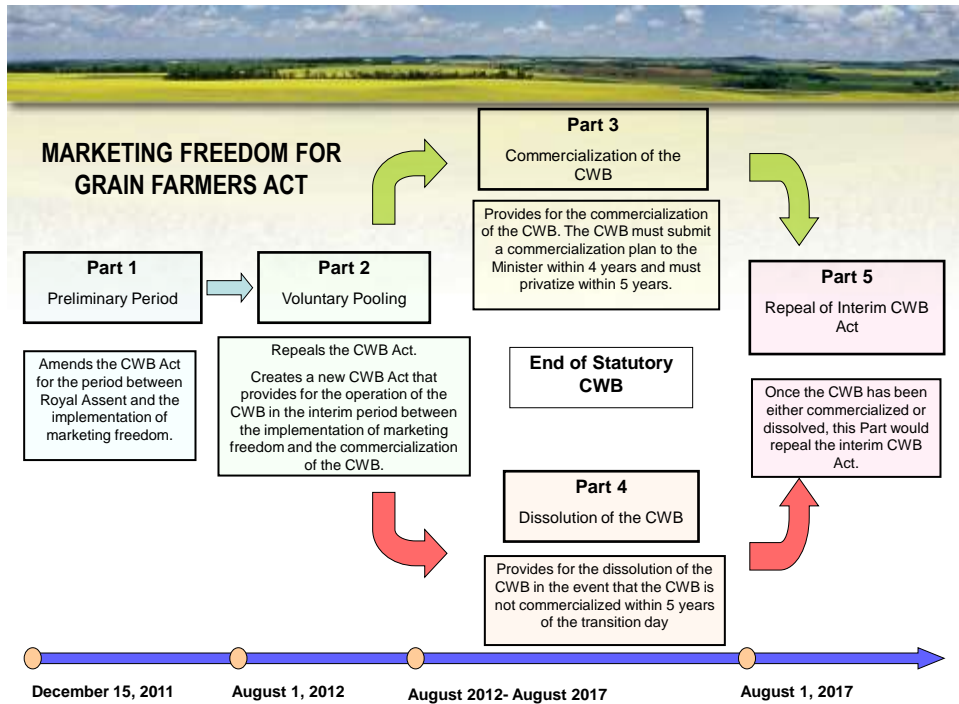
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Marketing Freedom

- August 1, 2012, marked the end of the monopoly on wheat and barley sales in Canada.
- The *Marketing Freedom for Grain Farmers Act* gives Western Canadian wheat and barley farmers the freedom to market their grain as they choose by removing the mandatory requirement to market wheat and barley through the Canadian Wheat Board (CWB).

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What this means for U.S. Producers


- U.S. producers are free to compete with Canadian producers in an open market in Canada. It is important for producers to negotiate contract specifications with grain handlers prior to delivery.
- Changes to the CWB have had no immediate effect on Canada's quality assurance & variety registration systems. U.S. seed companies/breeders continue to be free to submit their varieties to the CFIA for variety registration- and like all breeders are still required to conform to the requirements of the *Canada Grain Act* and *Seeds Act*.
- The industry led Canada-U.S. Grain and Seed Task Group is an excellent resource for U.S. producers to gain more information about how to deliver grain across the border.
 - www.canada-usgrainandseedtrade.info



Phytosanitary import requirements

- The Canadian Food Inspection Agency (CFIA) is having ongoing consultations on a new draft directive to regulate woolly cup grass on all imported grains to Canada.
- The unique relationship between Canada and the U.S. has been recognized, and through consultations with Canadian and U.S. stakeholders, the CFIA is trying to institute the new directive in the least trade restrictive way.
- A session in Washington, D.C. on March 26th has been organized by APHIS and NAEGA for U.S. stakeholders to learn more about the directive and provide comments.
- No implementation date at this point.

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Thank-you

We will be available at the end of the seminar to answer questions.

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