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Report Highlights:

Tomato Farmers Crushed by Closure of Heinz Plant * The Federal Government Is Supporting Growth of Organic Sector * Municipalities in British Columbia Passed Resolution for a GE-Free Province * The Canadian Pork Industry Teams with Academia to Fund Swine Welfare Chair

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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Tomato Farmers Crushed by Closure of Heinz Plant

According to a media article, ketchup maker H.J. Heinz Co., has hammered the tomato capital of Canada (Leamington, Ontario), announcing the closure of its century-old plant by next June. The second-largest facility in the Heinz universe will let go 740 employees. The impact will have far-reaching effects in southwestern Ontario, particularly Essex and Kent counties. It is estimated that 46 growers of processing tomatoes will be out of contracts. Forty per cent of the processed tomato industry – 4,300 acres – will be pulled out of tomato production. Several growers invested in 36 km of pipeline and a pumphouse that filtered water from Lake Erie to irrigate 2,500 acres of tomatoes. Known as the Leamington Area Drip Irrigation project, this ambitious infrastructure won accolades from the Ontario premier with a C\$100,000 award for agri-food innovation excellence. Built as recently as 2009, the C\$10 million investment was to compete against California-grown tomatoes and maintain world-class yields. Besides the loss of 740 direct jobs, the worry is that another 2,000 jobs are at risk in the supply chain. One input supplier of fertilizer and crop protection products in the area is number-crunching to estimate the impact on his business. He anticipates that the full impact won't be known for a year as the ripples affect the service industry.

The Federal Government Is Supporting Growth of Organic Sector

In a recent press release, the Canadian government announced a C\$500,000 for the organic industry to update its standards and pursue new domestic and international markets. Of the total amount, the Organic Federation of Canada is receiving nearly C\$300,000 to modernize the Canadian Organic Standards and improve processes to encourage small operators to become certified. In parallel, C\$200,000 will go to the Canada Organics Trade Association to create a marketing campaign to promote Canadian organics at a national and international level. The strategy is to strengthen relationships with partners across Canada to support the launch of a generic Canada Brand-based campaign profiling organic products. The organic sector continues to grow at a steady rate, with demand outstripping supply. Sales of organic foods in Canada are estimated to have tripled since 2006. The

Canada Organic Trade Association estimated retail sales in 2012 at C\$3 billion and exports at C\$458 billion, with most exports going to the United States and the European Union. This investment was made through Agriculture and Agri-Food Canada's AgriMarketing Program, a five-year, C\$341-million initiative under Growing Forward 2 that helps farmers and food processors compete in markets at home and abroad. For more information on the Growing Forward 2 agreement and the AgriMarketing Program, please visit www.agr.gc.ca/growingforward2.

Municipalities in British Columbia Passed Resolution for a GE-Free Province

In late September, leaders of regional and municipal governments from across British Columbia have adopted a resolution asking the provincial government to declare B.C. a genetically-modified organism-free area with respect to all plant and animal species. The resolution asks for a ban on importing, exporting and growing plants and seeds containing genetically engineered (GE) DNA, and raising GE animals within B.C. The motion generated extensive debate from the floor. More than 60 municipalities in B.C. passed similar GE-free resolutions prior to the UBCM convention. The discussion has stepped up the rhetoric on both sides of a debate that is as divisive within B.C.'s agricultural community as it is among the consumer public. The B.C. *Farm Practices Protection Act*, commonly known as the *Right to Farm Act*, protects the rights of farmers to conduct their business within the parameters of "normal farm practice." The definition under the act includes the use of innovative technology in a manner consistent with proper advanced farm-management practices. The B.C. government is required to provide a written response to UBCM on each of the resolutions that pass. The response is expected to outline any steps the provincial government will take, and allows the government time to consider and discuss the resolution.

The Canadian Pork Industry Teams with Academia to Fund Swine Welfare Chair

According to a recent new article, researchers affiliated with the University of Saskatchewan said they have reached a fund-raising target, with the help of industry, for establishing a chair in swine welfare and selected a candidate for the position. The research group, Prairie Swine Centre Inc., near Saskatoon, said it has raised half of the funds needed through commitments from six provincial pork associations and four pork processors. An application for matching funds for the chair will now be submitted to Canada's Natural Sciences and Engineering Research Council. The non-profit Prairie Swine Centre said it selected Sandra Edwards, professor and chair of agriculture at Newcastle University in England, to fill the position. Edwards' experience spans the areas of nutrition, applied behavior and health management.

Exchange Rate:

Noon rate, December 03, 2013 (Bank of Canada): U.S. Dollar = C \$ 1.0662

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