

## Report prepared for Peace River Agriculture Development Fund

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### Objectives:

Our main objects is to have input into the development of new canola varieties, crop research, policy making, and market opportunities by having representation at the national level, especially with biofuels rising as a possible market for our product. Given the fact that he B C Peace Region producers produce approximately 45,000 tonnes of canola annually, it is critical to have input into the marketing, production techniques, varieties, and policies surrounding the oilseed industry. We acknowledge the importance of having representation at a national level to ensure the canola industry remains a viable and profitable option for Peace Region producers.

### Activities & Accomplishments:

**The Canola POD or Performance On-line Database version 3** was developed by the Canola Council of Canada to allow farmers to explore canola performance trial results from a broad range of sources in their own area. In addition to the Prairie Canola Variety Trial results, POD provides access to private seed company performance trial information which often includes more detailed information, such as notes on site management. BCGPA currently has memberships with the Canadian Canola Growers Association and Canola Council of Canada. Ross Ravelli, currently the president of the Canadian Canola Growers Association is the BCGPA representative.

**Canola Council of Canada** is a national, nonprofit association funded by stakeholders in the canola industry. Our mission is to enhance the industry's ability to profitably produce and supply seed, oil and meal products that offer superior value to customers throughout the world. Members include canola growers, crop input suppliers, grain handling companies, exporters, processors, food and feed manufacturers and governments.

**Canola Oil for Healthy Cooking** -- Healthy, versatile and light, canola oil is highly recommended by chefs, nutritionists and busy homemakers. It's low in saturated fat, rich in vitamin E and a good source of omega-3 fatty acids. Because of its light color and taste, canola oil performs equally well in cooking, baking, salads and marinades.

**Canola Oil Properties and Uses** preferred by food professionals and processors because of its nutritional profile and high smoke point, canola oil has become even more valuable with high oleic varieties that reduce the need for hydrogenation. Exciting developments in the use of canola oil for biodiesel and lubricants are also underway.

## **Biodiesel**

- Canola's unique characteristics make it an ideal feedstock for biodiesel.
- Canola's high oil content means more oil available per unit of seed, with less by-product.
- Canola is low in saturated fat, which is linked to improved cold weather performance for biodiesel.
- Canadian canola is currently exported for the creation of biodiesel in other countries. The EU is forecasted to import between 100,000 and 120,000 tonnes of Canadian canola oil in 2006 for use in their biodiesel production facilities. Several hundred thousand tonnes of canola seed are exported to destinations such as the UAE, Turkey and Pakistan for processing into oil to produce biodiesel.

## **Canola Meal**

Canola meal is one of the most widely used protein sources in animal feeds. It has an excellent amino acid profile and is rich in vitamins and essential minerals. It is palatable and non-toxic. A process has been patented to create a 90 per cent protein isolate that has excellent nutritional and functional characteristics for human consumption. Canola meal is also a high-quality organic fertilizer.

## **Growing Canola**

These links lead to the latest and best agronomic information supplied by industry experts, including details on varietal systems, soil preparation, crop/pest management, input optimization, harvesting, grading and marketing.

## **Canola Exports**

Over 70 percent of Canada's canola crop is exported around the world and its reputation as a safe and high quality product is well-deserved and well-known. From the farmer to the retail store, everyone in the supply chain has a role to play. Export markets are becoming very strict about the products they accept. Requirements in some countries affect the canola varieties that Canada can export and the pesticides that can be used on canola. Testing in some countries is being increased for these de-registered varieties and pesticides. If de-registered or unacceptable varieties or pesticides are detected, canola shipments could be turned away causing millions of dollars in losses and placing future business at risk. **Canola exports bring over \$2 billion back to our Canadian economy, and represent 75% of our annual production.** Exports have gone from making up 1 percent of our total exports to the rest of the world in 2000, to 4 percent in 2004. Protect the future of the Canadian canola industry.

**Canola Digest is the trusted** independent source for canola industry news, updates and information on products, technology and trends. As the voice of canola growers, the magazine provides targeted access to the farmers who make the purchasing decisions.

Printed four times a year, Canola Digest is produced by award-winning writers and editors. Sourced by growers for growers, the editorial content reports on timely, relevant issues. It addresses the challenges facing the industry and opportunities for the future.

For response-driven advertising, Canola Digest is the best investment. Because it is the growers' publication, readers have a vested interest and trust in the advertising content

**Canadian Canola Industry adds over \$11 billion in economic activity to the Canadian economy. More than 52,000 Canadian farmers grow canola – largely as full time farmers and in ‘family farm’ businesses. They depend on canola to generate between 1/3 and ½ of their revenues. Domestically, canola generates economic activity of \$1.4 billion in Ontario and Quebec (primarily in the processing sector), and \$7.5 billion in western Canada. The world is our market**

**Extension & Demonstration:**

**[www.BCGRAIN.com](http://www.BCGRAIN.com)**

**[www.canola-council.org/council.html](http://www.canola-council.org/council.html)**

**Summary:**

This committee continues to have a strong presence at a national level in the development of new canola varieties, crop research and market opportunities, and policy making. The BC Grain Producers have representation on the Canadian Canola Growers Association board of Directors, the Canola Council of Canada’s Crop Production Committee and the Canola industry on the Grain Grower’s of Canada board of directors. CCGA has memberships in the Grain Growers of Canada, Canola Council of Canada, Canadian Agri-Food Trade Alliance, Biodiesel Association of Canada, Canadian Renewable Fuels Association, and Vegetable Oil Industry of Canada. Its involvement includes Government and Industry committees such as the Western Grains Standards Committee, National Safety Nets Advisory Committee, Canadian on Farm Food Safety and a number of Standards committees. They are well positioned to represent the growers of canola with government and industry. Growers need to remain engaged to ensure our views are heard.

**Attachments:**

Budget vs. actual

“In Kind”

Canadian Canola Growers Association -- update November – December, 2006t



# Canadian Canola Growers Association

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## Member Update

November - December, 2006

### CCGA Board of Directors Meeting

- CCGA held its November Board meeting in Regina Saskatchewan on November 9 - 10.
- Topics up for discussion and / or decision included current and future cash advance programs, biodiesel, Grain Growers of Canada, biotechnology and adventitious presence, safety nets and production insurance, WTO negotiations, and marketing and transportation issues such as potential amendments to the Canada Transportation Act, component pricing of canola, and the Canola Options pilot.
- The Board also discussed the status of the Own-Use Imports Program, on-farm food safety and national policy development of agricultural land use in Canada.
- The next meeting will be CCGA's Annual General Meeting, which will be held February 6 - 7 in Winnipeg.
- Programs overlap; farmers will be able to apply for a new advance even though they have a current advance from the previous marketing cycle. The maximum amount outstanding will be \$400,000.00 in total.
- Livestock producers will be eligible to obtain advances using CAIS as security.

### Biodiesel

- CCGA continues to work with industry and governments to ensure a viable biodiesel industry is created in Canada, one that will benefit canola growers.
- CCGA representatives attended the Canadian Renewable Fuels Association (CRFA) Summit on Biodiesel on December 10 - 12. Ministers Strahl and Ambrose brought greetings to the meeting via prerecorded video clip.
- CCGA representatives also attended the CRFA's Annual General Meeting immediately following the Summit. CCGA tried unsuccessfully to make a bylaw change that would have secured a grower seat on the CRFA's Board of Directors. The proposed bylaw change would have included the wording "At least one of the remaining Directors shall be chosen from a NFP farm organization representing primary feedstock producers." Unfortunately the motion was not supported by the canola industry members on the CRFA Board, and the opportunity has now been lost.

### Cash Advance Programs

The legislative changes to the cash advance programs will significantly impact CCGA's Cash advance Programs. Although not all of the elements of the new program are known at this time, we do know that the new program that will be available in April 2007 and will feature the following:

- Interest free limit: \$100,000.00 (increased from \$50,000.00)
- Overall limit: \$400,000.00 (increased from \$250,000.00)
- Program extended to cover an 18 month marketing period for repayment of advances (increase from 12 months)



### International Trade

- CCGA appeared before the House of Commons Standing Committee on International Trade on December 5, 2006 to discuss the WTO negotiations and Canada's trade policy. This is the second time CCGA appeared before the committee as a witness, having made an earlier submission to the committee on June 12, 2006.
- Director-General Pascal Lamy reported to the WTO General Council on December 14, 2006 that "an increasing level of engagement" is starting to appear in consultations by the Chairs of the negotiating groups. He stressed the "need to maintain the rhythm of the informal work ... to exploit the window of opportunity in the first quarter of next year". He went on to say that "Failure could be just around the corner, but we need not turn that corner. With everyone contributing and playing their part, we can stay on track to take this Round to a successful conclusion next year." Mr. Lamy's report maintains some optimism, but the reality is that the negotiations are in a serious stall. If progress is not achieved in the first quarter of the new year, the negotiations could be put on hold for at least a year and possibly as long as two years.
- CCGA continues to participate on the Agricultural Trade Negotiations Consultation Group (ATNCG), an advisory group that meets regularly with Canada's Chief Negotiator for Agricultural Trade.
- CCGA is a member of the Canadian Agri-Food Trade Alliance (CAFTA). CAFTA recently elected Alanna Koch (Agricore United) as president, and Darci Davis (Alberta Beef Producers) as vice-president. CAFTA is still searching to fill the position of Executive Director, which had been previously held by Patty Townsend.

### Own-Use Imports (OUI) Program

- CCGA is now officially on the Own-Use Imports Task Force. The Task Force had issued its report to the government in June 2006, proposing an approach to address the issues of pesticide price differentials and product access for Canadian growers. The Task Force reviewed a number of issues that were identified with the current OUI Program by a variety of stakeholders including federal and provincial governments, industry and some grower groups.
- The Task Force met on December 13, to conduct a comprehensive evaluation of the progress made on the recommendations of the OUI Task Force, including the new GROU program, regulatory harmonization activities, and improvements to the intellectual property protection policy to determine if the package of recommendations would be a suitable replacement of the current OUI program.
- A great deal of effort has been put into identifying an innovative alternative to the Own Use Import (OUI) program that has been the subject of much discussion and debate this past year. The following package of initiatives are being assessed as a possible replacement for the OUI program:

#### 1. NAFTA Labeling

Rapid progress has been made on NAFTA labeling. Eight active ingredients (as well as new newly proposed ingredients) have been proposed; indicating that registrants see great value in this process. Once implemented, cross-border shopping without the need for permits will be possible. The chemical industry appears to accept this program to a greater degree than OUI. The chemical industry may not participate if OUI is not ultimately phased out.

#### 2. Improved Registration System For Generics

A proposal has been put forward for a new generics system for Canada by 2008. If this new system functions well, Canadian farmers could have a rapid registration system for generics that satisfies the need for price discipline. This is a dramatic improvement



over the generic system currently available, putting 90 day turnarounds and binding arbitration features in for generic product registration as competitor companies negotiate with original registrants. If OUI continues indefinitely, the chemical industry may not support this proposal.

### 3. Project 914

The PMRA has volunteered to accept US data on a pilot basis on 72 actives also known as Project 914. If this program proves workable, over 200 minor-uses could follow in the coming years. This requires the participation of chemical companies.

### 4. GROU Program

There is a proposal for a new importation program called Grower Requested Own-Use program. Under GROU, eight products have been identified that could be approved for the user import program. The growers helped choose the eight products and there is some potential for savings under this program, which introduces another element of cross border price discipline.

- Grower groups working on the solution to this issue in the task force are cautiously optimistic about the potential short and long-term fixes available under a new system.
- On December 13, the House of Commons Standing Committee on Agriculture and Agri-Food made the following recommendation to the House:  
*"That the Minister of Health responsible for the Pest Management Regulation Agency maintain the existing own use program for the next two crop years while working toward the implementation of a better and more producer-friendly Grower Requested Own Use Program."*
- This motion does not appear to recognize that the OUI Task Force is working on a package as potential replacement for OUI that includes not only GROU, but also NAFTA labeling and an improved registration system for generics that is consistent with the U.S.

### Genetic Use Restriction Technology (GURT)

- The House of Commons Standing Committee on Agriculture and Agri-Food held a short hearing on the GURT issue on December 7. CCGA sent a letter to the Standing Committee supporting Canada's science-based regulatory system, and reiterated that as with any new technology it must meet the scientific safety assessments for food, feed and the environment. CCGA agrees with the government's stated position that any research or adoption of any example of this technology must proceed with caution on a case-by-case basis.
- CCGA has approached the Canadian Federation of Agriculture and the Grain Growers of Canada, to consider sending a similar letter under the signature of all three organizations.

### New Generation of Agricultural Policy Consultations (APF 2)

- There are three rounds of consultations planned for developing the new APF. This multi-phased and national consultation process began in December 2006 and will carry on into 2007, with a new policy framework to be implemented in early 2008.
- The first round of consultations are underway, and consist of a series of working sessions with invited stakeholders with specific expertise.
- Round two consultations will occur in January and February 2007, and will be open to all interested stakeholders with sessions held across the country.
- Round three will begin in March 2007, and will revert back to working sessions with invited stakeholders and will focus on analyzing the input gathered during rounds one and two.
- There are five themes currently in the first round of consultation; 1) Innovation and



Science, 2) Environment, 3) Food Safety and Quality, 4) Renewal, and 5) Market Development and Trade. Consultations on the sixth theme, Business Risk Management, will begin in January.

- CCGA is involved and providing input into the process.

### Transportation

- CCGA continues to work with a broad coalition of rail shippers in an effort to lobby the federal government, in particular the Minister of Transport, to make changes to the *Canada Transportation Act*. The changes being advocated would assist shippers in holding the railways more accountable and increase railway performance and level of service.
- On December 13, the Standing Committee on Agriculture and Agri-Food reported to the House the following recommendation: *"The Government of Canada bring forward immediate legislative changes to the Canada Transportation Act that fulfill the agreements reached between Transport Canada and shippers on May 5, 2006, including the initiation of a review of the level of service being provided by railways"*.
- It is anticipated that the Minister will introduce a Bill early in 2007.

### Canola Options Pilot

- The research phase on the canola options pilot has been completed. The recommendation from Dr. Turvey's analysis is that if there is no subsidization of premium, the Asian Put Option would be an effective price insurance mechanism for growers. He also recommended that it would be much more cost effective if the price insurance was combined with crop

insurance to provide a revenue insurance product.

- CCGA has so far met with the Government of Manitoba, Manitoba Crop Insurance, the Government of Saskatchewan and Saskatchewan Crop Insurance to discuss the concept and share the results of the study. It is anticipated that additional meetings will be held in early 2007. Saskatchewan has indicated that they are going to do an internal assessment of the proposal and determine if they might conduct a small scale pilot in the near future.

### Safety Nets

- CCGA attempted to work with an Eastern coalition of grower groups to develop a national solution to the farm income crisis. However, the approach by the Eastern groups envisioned that Ontario and Quebec would have their own programs (BRM program in Ontario and ASRA in Quebec), and the other provinces would have their own programs, all of them funded with significant federal money. After careful consideration, the CCGA concluded that this approach would not result in a national program and would in fact implement considerable fundamental inconsistencies across the country. As such, Canada would be at significant risk to countervailing action by a foreign country. CCGA continues to work with other organizations where possible, on developing a national solution that would have minimal risk of countervail.

### Federal Strategy on Agricultural Land Use

- CCGA attended a Strategy for Agricultural Land Workshop that was organized by Agriculture and Agri-Food Canada and PFRA. The objective of the workshop was to give the government input on the potential development of national policy on



agricultural land capacity, management and use in Canada.

- The results of the meeting will be compiled into a document and circulated to participants in December for further comment and discussion. Once agreement is reached, the government will use the information to further develop a national policy on agricultural land use in Canada. CCGA will stay involved in this process as a means to help shape and influence any policies that could emanate from this process.

### Review of the Canadian Grain Commission and the Canada Grain Act

- COMPAS was engaged by Agriculture and Agri-Food Canada to lead the independent review of the Canadian Grain Commission and the Canada Grain Act. Their report was submitted to Parliament on September 18, 2006. It contains 72 recommendations within 12 broad categories. The full report can be downloaded at the following address:

[http://www.compas.ca/grain/home\\_en.html](http://www.compas.ca/grain/home_en.html)

- The Standing Committee on Agriculture and Agri-Food are still studying the report.
- Below is a brief summary of selected key recommendations:

**Mandate:** The mandate should be separated into two distinct parts; one regarding grain quality standards, and one outlining the rights of grain producers. On the rights of producers, the Act would provide the right of delivery access to primary or terminal elevators, the right to third party grade and dockage verification, the right to access a producer car and to have third party weighing and inspection of that load, and the right that their commercial grain transactions with licensees be secure.

**Governance:** Recommend a change at the executive level with the creation of a single President/CEO/Chief Commissioner, supported by Vice-Presidents and other senior executives. Another recommendation is that there be an Office of Grain Farmer Advocacy (independent grain

farmer ombudsman) created with the budget currently allocated to the Assistant Commissioners.

**Quality and Quantity Assurance:** Recommends allowing for third party inspectors under CGC license. The CGC should continue to work with stakeholders in the oilseed sector to develop and implement a grading system with factors for oil content that meet stakeholders' needs. It was also recommended that inward inspection become optional, and that the price of such optional inward inspection services continue to be subsidized. The report acknowledges that the current varietal licensing system is hampering the introduction of new varieties, but does not go as far as to make any solid recommendations on KVD.

**Liability and Misrepresentation:** It was recommended that the Act be modified to allow the CGC to impose fines for various infractions, including the misrepresentation of grain. The Act would specify maximum financial penalties of up to \$20,000 for individuals and entities other than licensees, and up to \$40,000 for licensees.

**Security:** The report recommends further consultations on this issue. The report does call for the CGC to be held liable when the current structure fails to protect farmers. The recent Venture Seeds and Naber's bankruptcies are specifically mentioned.

- There are many other recommendations too numerous to list in this publication. However, the report's recommendations overall would reform the system sufficiently to allow the flexibility required for changing markets.

### Upcoming Meetings

- **January 10** – SCDC Annual General Meeting and SCGA Annual General Meeting in Saskatoon, Saskatchewan.
- **January 16** – MCGA Annual General Meeting in Brandon, Manitoba.
- **January 24** – ACPC Annual General Meeting in Edmonton, Alberta.
- **February 6-7** – CCGA Annual General Meeting in Winnipeg, Manitoba.