

**ANNUAL REPORT 2004
CANADA
FORWARD AND ACKNOWLEDGEMENTS**

The year 2004 was a very important one for the IICA and Canada relationship. IICA went through a rigorous review of its image, networking capacity and program delivery in Canada, ending in an enhancement of their partnership.

A great effort was made within IICA Canada to increase its program delivery in the internships, expertise networking, and in support of events. Additionally, an evaluation of the Internship programs and a review of expenses were carried out.

The Honorable Lyle Vanclief, ex-Minister of Agriculture and Agri-food Canada, was invited as a key speaker at the inauguration of the IICA Representative's Meeting in August, where he addressed the challenges and opportunities for investment and financing strategies in agriculture.

In September, I was appointed Acting Representative and was actively involved in an external review process and coordinated a visit to Canada by high level IICA personnel.

The review process began in October 2004, with an assessment study carried out by Hill and Knowlton Consultants that included interviews government and private stakeholders in Canada. The survey covered a diversity of issues that went from awareness and knowledge of IICA, to an evaluation of its effectiveness and personal experiences, and suggestions on how to improve its commitment with Canada. The study report was presented to the Director General at the end of the month.

This study was followed by a trip in November of Mario Seixas, Associate Director General, who made courtesy calls to officials from AAFC, CFIA, CIDA and DFA, as well as private organizations familiar with IICA. These visits led to a brainstorming session to have further inputs on improving IICA's performance in Canada.

Finally, in December, Chelston Brathwaite, IICA's Director General, and Robert Landmann, Acting Deputy Director General, visited Canada by invitation of the Honorable Andy Mitchell, Minister of Agriculture and Agri-Food Canada, with the purpose of enhancing IICA's relationship with Canada. During his visit, he held meetings with the Minister of Agriculture, who recognized IICA's efforts in institutional modernization and its relevance for the development of the rural community of the Americas, and the Honourable Wayne Easter, Parliamentary Secretary on Rural Development. He also met with Paul Murphy, Director of Global Affairs, AAFC, and other AAFC officials, Judith Bosee, CFIA Vice-President of Science, and Paul Haddow, CFIA Director of International Affairs with whom Canada's involvement in IICA activities and other relevant issues of mutual interest were discussed.

The Director General attended a working breakfast meeting at the Department of Foreign Affairs hosted by Ms. Marie-Lucie Morin, Associate Deputy Minister, with the presence of Mr. Guillermo Rischynski, CIDA Vice-President for the Americas, Ms. Renata Weilgosz, Director General of Interamerican Affairs and Mr. Léonard Beaulne, Deputy Director General of Interamerican Affairs. The focus of the meeting was the role of IICA in the agriculture and rural life commitments of the Summit of the Americas and

the implementation of the MDGs and mechanisms to increase of Canadian collaboration and participation. He also had meetings with His Excellency Glyne Murray, High Commissioner of Barbados, Jean Augustine, MP and Senior Advisor to the PM for Grenada, Dr. Barry Stemshorn, Associate Deputy Minister of the Environmental Protection Service, Louise Leg r, Director General of the Trade Commissioner Service, ITC, and Gilles Remillard, President of the Conference of Montreal.

Finally, on Thursday the 9th of December, IICA Canada hosted a reception for Dr. Brathwaite at the Sheraton Hotel with more than 40 guests from Canadian institutions, government, Ambassadors and representatives of IICA member countries in Canada. Dr. Brathwaite used this opportunity to publicly acknowledge Canada's support to IICA and brief the participants on the Institutes' policies and achievements during the first 3 years of his administration. As a result of the DG visit, a Canadian delegation, led by Mr. Len Edwards, Deputy Minister of Agriculture, visited IICA Headquarters in Costa Rica during the third week of January, 2005.

The results of these reviews together with the partnership enhancement visits and meetings between IICA and Canada during 2004, will permit IICA Canada to improve its performance with one of its most important members and to update mutual needs and demands in a respectful and amicable environment.

I would like to acknowledge the support and hard work during 2004, of the IICA Canada permanent staff, Anita Anderson and Louisa Martel, and to give special recognition to Dr. Patricia Pentney, who was Acting Representative from August 2003 to August 2004, for her friendship, dedication and success in maintaining the IICA Canada programs and partnerships with tireless effort and professionalism.

We are also grateful to Mario Seixas, Associate Director General, for his interest and advice, Robert Landmann, Deputy Director General, ai, for his openness and support and to Chelston Brathwaite, Director General, for entrusting us with this important institutional challenge.

We want to thank all our Canadian counterparts and partners from AAFC, CFIA, DFA, CIDA, ITC and private and academic organizations, who were involved in the surveys, reviews, brainstorming sessions and interviews for their support, openness and sincere opinions for the improvement of our personal and institutional performance.

Michael Bedoya
Representative, a.i.

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1. INTRODUCTION



Director General, Chelston Brathwaite and Minister of Agriculture and Agri-Food, Andy Mitchell

THE CONTRIBUTION OF IICA CANADA TO THE AGRICULTURE AND THE DEVELOPMENT OF RURAL COMMUNITIES OF THE AMERICAS

1. INTRODUCTION

Canada's agricultural producers enjoy a reputation for efficient, high-quality production and reliable delivery due to the outstanding investments in infrastructure and transportation systems. Additionally, the Canadian agri-food sector is supported by cutting-edge research at federal, provincial and university research centres and AAFC can match one-for-one industry contributions to collaborative research and development projects.

The Canadian Food Inspection Agency (CFIA) is internationally recognized as being among the best in the world for programs and procedures that are continually reviewed and updated to international approved standards with the latest scientific information and technology to warrant consumer safety and high quality of Canadian products.

Canada's leadership in agro-environmental and international technical cooperation policies have situated it in a privileged position as a model to follow for the IICA member countries in Latin American and Caribbean.

IICA's mandate in Canada is to strengthen and facilitate dialogue between Canada's agricultural departments and agencies and agribusiness sector, and the other countries of the Americas, and to cooperate with Canadian public and private organizations, universities and NGO's in establishing strategic alliances with the Americas.

In pursuing these goals, IICA Canada has developed a strategy which is supported by four Technical Cooperation Instruments, namely:

1. Internship programs for agricultural science and research, agribusiness or farmers exchange, rural youth and information and technology.
2. Canadian expertise exchange and networking with Latin America and the Caribbean.
3. Sponsorship of events in agribusiness, innovation, AHFS, sustainable rural development and agriculture education.
4. Other promotion, support or follow up activities or meetings, seminars, publications, agreements, and project proposals.

As shown in the following table during 2004, the IICA Canada Internship program granted 14 internships, 11 of which were for Canadians, 2 for Costa Ricans and 1 Jamaican. Of these, 4 were for producers or farmer to farmer exchange, 9 went to academics and 1 to a government official. Geographically, it involved Central America with 3, the Andean countries 3, 1 for the Southern Cone, 5 in North America, 1 in the Caribbean countries and 1 covered 3 countries. The technical areas covered were Agricultural Health and Food Safety (3), Education (1), Sustainable Rural Development (6) and Agribusiness (4).

Table 1.1 IICA Canada Internships 2004

| Name of Internship | Nationality of Intern | Classification | Host Country | Priority Area |
|---|-----------------------|------------------|------------------------------|------------------------------|
| NFU – ASOPROCONA Mini-vegetables | Costa Rica | Farmer to Farmer | Canada | Agribusiness and Trade 5.1.4 |
| | | | | Agribusiness and Trade |
| | Canada | | Costa Rica | Agribusiness and Trade |
| | | | Costa Rica | Agribusiness and Trade |
| Tuber Diseases diagnosis | Peru | Academics | Canada | AHFS 5.2.5 |
| Sarcocystis in Alpacas | Canada | | Peru | AHFS |
| Andean Potato weevil | | | Ecuador | AHFS |
| IISD Capacity Fair Trade | | | US | SRD 5.1.5 Environment |
| Agri-Forestry | | | Chile | SRD 5.6.2 Environment |
| Conservation and development | | | Honduras | SRD Environment |
| Soil conservation and Sustainable Agriculture | | | Mexico | SRD |
| Agri-Food and environment | | | Belize | SRD Environment |
| Family Farming in the Americas | | | Mexico, Nicaragua and Brazil | SRD Poverty mitigation 5.3.3 |
| Information and Library Science | | | Jamaica | Government |

These internships provided the conditions for networking among farmers, academics and government individuals and institutions. Additionally, some specific products were generated such as the recommendations from the study in Belize were used in its policy development, a multinational research group was integrated for the family farming study under Canadian leadership and the Jamaican agriculture library and data banks were updated.

In the expertise exchange and networking with LAC countries during 2004, there was a demand for 15 expertise exchanges, 11 Canadian professionals were sponsored by IICA Canada and 4 experts came to Canada from Venezuela, Costa Rica and Brazil. Two were from the private sector, five academics and eight from the government research or reference services institutions or laboratories. The technical areas were Agribusiness (2), Agriculture Health and Food Safety (5), Sustainable Rural Development (6) and Innovation and Technology Transfer (2). The geographical coverage was Central America (3), Andean (1), Southern Cone (2), North America (8) and Caribbean (1).

Table 1.2 IICA Canada Expertise Exchange 2004

| Name of Expertise | Nationality of Expert | Classification | Host Country | Priority Area |
|------------------------------------|-----------------------|----------------|--------------------|------------------------------|
| Agribusiness seminar Conf Montreal | Venezuela | Private | Canada | Agribusiness and Trade 5.1.1 |
| Agribusiness seminar Conf Montreal | Costa Rica | | Canada | Agribusiness and Trade |
| FMD lab diagnosis | Canada | Government | Mexico | AHFS 5.2.4 |
| Avian Influenza lab diagnosis | | | Mexico | AHFS |
| FMD diagnosis | | | Colombia | AHFS |
| Brucellosis lab diagnosis | | | Dominican Republic | AHFS |
| Intl Veterinary pathology | | Academics | Argentina | AHFS |
| Rural youth LAC NRC | Costa Rica | Government | Canada | SRD 5.3.1 |
| Mitigating land degradation | Canada | Academics | Brazil | SRD 5.3.2 |
| Soil degradation mitigation | Brazil | | Canada | SRD |
| Fontagro partnership | Canada | Government | US | Innovation 5.4.4 |
| | | | US | Innovation |
| Agri-environ policies | | | Costa Rica | SRD 5.6.1 |
| | | | Costa Rica | SRD |
| GECAPS | | Academics | Costa Rica | SRD 5.6.3 |

The IICA Canada expertise program enhanced networking in priority between scientists and high level professionals in Canada and the LAC countries in priority issues for both. The experts at the agribusiness seminar provided critical information on trade and agribusiness experiences in LAC countries. The Canadian CFIA experts transferred high technology laboratory techniques to Mexico, Colombia and Dominican Republic and, in reciprocity, had a chance to validate them in field conditions. The expertise from Guelph gave technical support for a project soil conservation proposal and a graduate student exchange agreement was signed between Canada and Brazil. Experiences with rural youth

in Latin America and Canada were exchanged at the National Rural Conference. Leading AAFC and CIDA experts visited the FONTAGRO facilities in Washington to explore avenues of collaboration with this LAC initiative. A project on agri-environmental policies in Latin America using the Canadian model, was developed by AAFC experts and approved to be jointly implemented in 2005 with IICA experts in Costa Rica. Priority issues and areas of collaboration were addressed for projects in the Caribbean countries within the Global Environmental Change and Food Systems initiative between Carleton University, University of West Indies and IICA.

The events in which IICA Canada was involved as sponsor, facilitator and participant were a total of 12. Of these 5 were in Canada, 5 were regional in North America, one in South America and one in Europe. Three were from the private sector, 8 were government organizations or initiatives and one was an academic event. Technically, 3 were in the Agribusiness and Trade events, four were Agriculture Health and Food Safety 2, Innovation and Transfer of Technology 2, one in Sustainable Rural Development, one in Education and one covered several areas. The range of participants in these events was from 15 to 100.

Table 1.3 IICA Canada Events 2004

| Name of Event | Counterpart | Classification | Host Country | Priority Area |
|-------------------------------------|---------------------|----------------|---------------------|------------------------------|
| 10th Conference Montreal | Conf Montreal | Private | Canada | Agribusiness and Trade 5.1.1 |
| North American Consulting School | CCAA | | | Agribusiness and Trade 5.1.3 |
| Canada Mexico Bean Congress | Pulse Canada | | Mexico | Agribusiness and Trade 5.1.6 |
| BSE Hemispheric Conference | PAHO | Government | US | AHFS 5.2.1 |
| SPS Committee Meeting, | AAFC | | Switzerland | AHFS 5.2.2 |
| ISPM 15 Seminar Workshops | NAPPO SAGARPA OIRSA | | Mexico | AHFS 5.2.3 |
| | NAPPO SENASA COSAVE | | Argentina | AHFS |
| NABI meetings | NABI | | Argentina Canada | Innovation 5.4.1 |
| Procinorte meeting | Procinorte | | US | Innovation 5.4.2 |
| National Rural Conference | AAFC | | Canada | SRD 5.3.1 |
| CFAVM Deans meeting | CFAVM | Academics | | Education 5.8.1 |
| Tri-national North American meeting | AAFC | Government | US | All 5.4.3 |

IICA Canada's support to these events provided the framework to identify and discuss future business endeavors between Canada and LAC (Conference of Montreal and Pulse Canada – Mexican Bean Council Congress), enhance awareness and participation in global forums and in critical issues in agriculture health and food safety (BSE Hemispheric Conference, SPSC meeting and ISPM workshops) and innovation and biotechnology (NABI, PROCINORTE) that involve international trade and market access. Also, it provided exchange of information and discussion on trends in rural life (NRC), agriculture higher education (CFAVM) and collaboration between Canada and LAC countries.

Other activities during 2004, in which IICA Canada was involved were the participation in 3 events organized by other institutions (FMD PAHO, Intl Coop Week CIDA), and 2 by IICA headquarters. Also, meetings were held with FITT, McGill University, University of Saskatchewan and the University of Guelph to promote IICA and discuss areas of collaboration. IICA Canada was responsible for organizing the logistics and briefings for the Director General's visit to Canada. Two IICA Canada Newsletters were published, a text and web cast video of the OIE/CFIA/IICA Seminar and was jointly published together with the proceedings of the Veterinary Pathology International Meeting with IICA Argentina and the University of La Plata and presented on CD.

Finally, during 2004, IICA Canada was assessed for performance by a study carried out by Hill and Knowlton, a brainstorming session was held with key stakeholders, an evaluation of the internship programs (1996-2003), and internal meetings with the headquarters administration areas. These activities have permitted the development of a proactive strategy to address urgent issues related to relations with stakeholders, management, and program delivery.

2. EXECUTIVE SUMMARY



Parliament, Quebec City, Quebec

2. EXECUTIVE SUMMARY

Canada's agricultural producers enjoy a reputation for efficient, high-quality production and reliable delivery due to the outstanding investments in infrastructure and transportation systems. Additionally, the Canadian agri-food sector is supported by cutting-edge research at federal, provincial and university research centres and the Canadian Food Inspection Agency (CFIA), which is internationally recognized as being among the best in the world warranting consumer safety and high quality of Canadian products. These assets, plus its leadership in agro-environmental and international technical cooperation policies, have situated it in a privileged position as a model to follow for the IICA member countries in Latin American and Caribbean.

IICA's mandate in Canada is to strengthen and facilitate dialogue between Canada's agricultural departments, agencies, agribusiness sector and the other countries of the Americas, and to cooperate with Canadian public and private organizations, universities and NGO's in establishing strategic alliances with the Americas.

In pursuing these goals, IICA Canada has developed a strategy which is supported by four Technical Cooperation Instruments, namely:

5. Internship programs for agriculture science and research, agribusiness or farmers exchange, rural youth and information and technology.
6. Canadian expertise exchange and networking with Latin America and the Caribbean.
7. Sponsorship of events in agribusiness, innovation, AHFS, Sustainable Rural Development and Agriculture Education.
8. Other promotion, support or follow up activities such as meetings, seminars, publications, agreements, project proposals.

In the area of **Facilitating Competitiveness and Global Trade** during 2004, IICA in Canada was one of the main sponsors of the Conference of Montreal, which has now become "The Economic Forum of the Americas". The Conference was dedicated to "Competing in a Fast Changing World-Strategies for Success". Our Associate Director General was one of the speakers at the Agriculture and Agri- food Canada forum on challenges and risks of present day agriculture and agri-food. Also, IICA organized an Agribusiness Workshop with invited speakers from Latin America.

IICA Canada continued to be a major sponsor of the CCAA Annual North American Consulting School. During 2004, IICA's Representative was a guest speaker at the "Advancing Your Business Skills" session, where an overview of the Institution's strategic lines of action and opportunities for consultants in Latin America was presented

Four Farmer to Farmer internships with the National Farmers Union (NFU) and the National Association of Farmer Organizations (ASOPROCONA), Costa Rica, were sponsored together with the completion of the project, "Promoting national capacity for the support of fair trade markets and cooperatives in Latin America and the Caribbean", with the International Institute of Sustainable Development (IISD), and IICA headquarters. Finally, IICA Canada and IICA Mexico jointly facilitated and supported the Pulse Canada Association and Mexican Bean Producers Association Congress in Mexico City.

In Promoting Food Safety and Agricultural Health, a joint IICA – PAHO Hemispheric Conference/ Workshop on BSE in the Americas was organized in the US to enhance awareness of the need of a proactive approach and capacity building in response to the BSE crisis. The conference was presided by Dr. Chelston Brathwaite, Director General of IICA, and Dr. Mirta Rosas Periago, Director of PAHO, with approximately 150 participants, including 17 Ministers of Agriculture and Health from Latin American countries.

In support of the SPS Initiative for the Countries of the Americas, IICA Canada responded to the Canadian Food Inspection Agency's request to facilitate and sponsor the participation of representatives from 24 IICA member countries to the October 27-28 2004 SPS Committee meeting. In this same line, IICA Canada and the NAPPO jointly sponsored two workshops on the International Standards for Phytosanitary Measures Guidelines for Regulating Wood Packaging Material in International Trade, ISPM # 15, in Mexico and Argentina.

Four expertise exchanges were sponsored in support to a "Country to Country" collaboration between Canada and Mexico, Argentina, Colombia and Dominican Republic. Two NCFAD/CFIA experts went to Mexico to assess the laboratory capacity in Foot and Mouth Disease and Avian Influenza, and one went to Colombia to provided expertise to the National Vesicular Diseases Laboratory. A professor from the University of Prince Edward Island participated at an International Veterinary Pathology Seminar in Argentina. Finally, a Research Scientist from CFIA went to the Dominican Republic to implement diagnostic techniques for brucellosis. In AHFS three internships were granted for agriculture and veterinary professionals in Canada, Peru and Ecuador in biological pest control and diseases in alpacas.

In Strengthening Rural Communities, IICA Canada participated as associate partner in the 3rd National Rural Conference in Red Deer, Alberta. This conference focused on actions that address rural concerns and provided a forum to facilitate dialogue between the federal government and the rural citizens on the challenges and opportunities that face remote communities. As the only international participant, IICA's involvement in the event was mentioned as being "a tangible demonstration of IICA's commitment to help build sustainable rural and remote communities throughout Canada," by the Honorable Wayne Easter, Parliamentary Secretary to the Minister of Agriculture and Agri-Food Canada.

A “country to country” expertise collaboration between Canada and Brazil in Sustainable Rural Development was sponsored with the University of Guelph (Canada) and Universidad Federal Rural de Pernambuco (UFRPE; Brazil), to realign the Project: Mitigating Land Degradation in NE Brazil. IICA Canada’s support assisted in the collaboration of the academic institution which resulted in a Memorandum of Understanding being signed. As part of the internship program IICA Canada sponsored a trip to Mexico, Nicaragua and Brazil to arrange an exchange with research teams for a comparative study of family farming (small, medium rural producers or campesinos) in the Americas current situation and future prospects.

In Hemispheric Integration, IICA promoted the enhancement of hemispheric collaboration in agriculture biotechnology by fully supporting the North American Biotechnology Initiative, NABI. This initiative of IICA’s North American members, Canada, Mexico and the United States, promotes a better understanding of biotechnology and scientifically based policies. In February 2004, IICA facilitated the First Meeting in Buenos Aires which was followed by the NABI countries participation at the Southern Cone Agriculture Council of Ministers of Agriculture meeting. Finally, in September IICA Canada participated, on behalf of the Director General, at the 4th NABI Plenary Meeting in Quebec City. As a result of these activities IICA was invited as a permanent observer to NABI and in response IICA headquarters has assigned a biotechnology specialist as a permanent contact for NABI. Integration in research and innovation was also promoted by the facilitation and participation in the PROCINORTE umbrella and taskforces 2004 meetings and activities. The sixth Tri-National Meeting of Northern Region was held in Washington D.C. in November with the objectives of promoting greater interaction among Northern Region Members; review and select regional priorities; outline next steps to promote priorities; and action. A list of priority actions was approved. Finally, a Canadian mission to Washington to assess Canada’s involvement in FONTAGRO was completed in early June 2004.

In Environmental Management, a Canadian mission from the Environmental team of the Agri-Environmental Policy Bureau AAFC visited IICA Headquarters to identify partnership opportunities and seek IICA’s support in capacity building for agri-environmental policies in Latin American countries, utilizing the Canadian experience from the development of the Agricultural Policy Framework (APF) as a model. This project was approved by CIDA on November of 2004, to be implemented during 2005. Collaboration between Canada, Chile, Honduras, Mexico and Belize was enhanced by the sponsoring of three internships in environmental management. A meeting was held between the GECAFS Vice-Chair from Carleton University, University of West Indies, IICA SRD Directorate and Caribbean Area Operations Director to identify and discuss IICA – GECAFS collaborations in the Caribbean and in the Americas.

In Other Activities, IICA’s networking capacity was enhanced with the Canadian Faculties of Agriculture and Veterinary Medicine Association and Universities by

participation at the Deans of CFAVM meeting in Charlottetown, Prince Edward Island followed by a meeting with McGill University. Other meetings were held with the University of Saskatchewan and the University of Guelph to identify areas of potential collaboration, enhance communication and networking capacity. IICA Canada sponsored an internship exchange of a Jamaican professional from the agriculture documentation and information association with the Canadian Agriculture Library (CAL) and other centers related to agriculture.

The **Inter-Agency Cooperation or activities** carried out by IICA Canada in cooperation with other international and regional organizations were the Joint IICA – PAHO Hemispheric Conference/ Workshop on BSE in the Americas; the Joint IICA – GECAFS (Global Environmental Change and Food Systems) project collaboration meeting and internship exchange to Belize and the IICA – NABI – SAGyP (Argentina) Meeting on Commercial Aspects for the Implementation of the Cartagena Protocol on Biosafety in Buenos Aires

Future Opportunities For Cooperation were identified in Agriculture Health and Food Safety, Agribusiness Development, Biotechnology and Innovation and in Sustainable Rural Development and Environment in relevant issues in which Canadian institutions have expertise and leadership. IICA Canada will therefore focus its cooperation instruments to enhance Canadian participation in capacity building events, projects and other activities with Latin American and Caribbean countries in these areas.

IICA and CIDA's shared vision on integral rural development and agriculture makes them natural partners in the development of rural Latin America and the Caribbean.

During 2004 IICA Canada had a performance assessment study carried out by Hill and Knowlton, a brainstorming session with key stakeholders, an evaluation of the internship programs (1996-2003), and meetings with the administration areas at Headquarters. These meetings permitted the development of a proactive strategy to address urgent issues relating to stakeholders, management, and program delivery.

3. THE STATE OF AGRICULTURE AND RURAL LIFE IN CANADA



Canada and Provincial Flags

3. THE STATE OF AGRICULTURE AND RURAL LIFE IN CANADA IN 2004

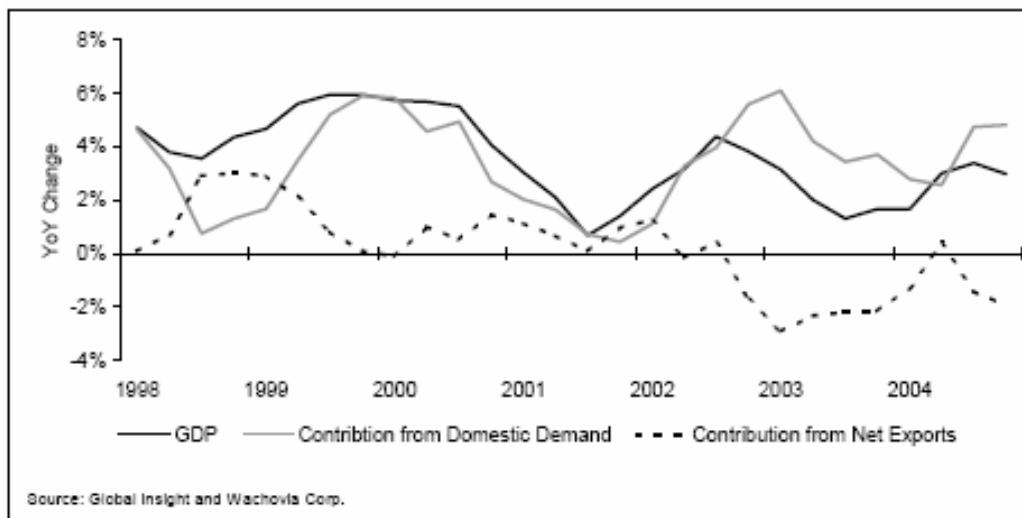
3.1. Recent performance in the expanded agriculture sector.

3.1.1 Canadian Economy 2004

Canada's economy ranks eighth in the world after the US, Japan, Germany, United Kingdom, France, China and Italy. During 2004 the Canadian economy grew at 2.8 % improving from the 2.0% rate registered in 2003. As a result the GDP was US \$ 958.7 billion (Purchasing Power Parity) or US\$ 29.500 per capita. The main component of the economy's growth was the domestic demand as exports were affected by trade restrictions related to BSE and Avian Influenza and other issues such as higher oil prices, interest rates, a slow US growth and a strong Canadian dollar. Since prices of many agriculture commodities are determined in US markets and priced in US dollars, the stronger currency placed significant downward pressure on commodity prices in Canadian dollar terms.

(1)¹

Canadian Real GDP Growth



3.1.2. The Canadian agriculture performance in 2004.

Canada, as the second largest country in the world has a land area of more than 900 million hectares. However, only 68 million hectares (or about 7%) is farmed as climate restricts crop production. The Prairie Provinces, where most of Canada's export grains and oilseeds are grown, has a frost-free period of about 110 days. Eastern Canada, where about two-thirds of Canada's population is

¹ . Canada Country Report: March 2005. Jay Bryson, Ph.D.; Wachovia corp, March 1, 2005

located, is more agriculturally diversified with livestock, horticulture, grains and oilseeds, particularly corn, soybeans and soft white winter wheat. More than 98% of all farms in Canada are family owned and operated. Canada's agricultural producers enjoy a reputation for efficient, high-quality production and reliable delivery due to the outstanding investments in infrastructure and transportation systems. Additionally, the Canadian agri-food sector is supported by cutting-edge research at federal, provincial and university research centres. Under the research and development Matching Investment Initiative, AAFC can match up to one-for-one industry contributions to collaborative research and development projects.

The Canadian Food Inspection Agency (CFIA) is internationally recognized as being among the best in the world with programs and procedures continually reviewed and updated to international approved standards with the latest scientific information and technology to warrant consumer safety and high quality of Canadian products.

During 2004, Canadian Agricultural GDP grew 2 percent recuperating from the economic shocks on Canadian agri-food exports due to BSE and Avian Influenza. As a result, both external trade and domestic production have improved in comparison to 2003.

The Canadian agri-food external trade had a positive balance in 2004 growing up to CDN \$ 6.03 billion, 56.29% above 2003. This figure was the result of a growth of CDN \$ 26.45 Billion of export 8.24% above 2003 and a decline in agri-food imports of CDN \$ 20.43 Billion, 0.76 % below 2003.

The following table shows the top Canadian agri-food exports in 2004.

TOP AGRI-FOOD EXPORTS (IN \$ MILLIONS)

| | 2003 | 2004 | Variation 2003 (%) |
|------------------------|-------|-------|--------------------|
| Non-durum Wheat | 1.930 | 2.679 | 38,8 |
| Beef, boneless, fresh | 1.124 | 1.716 | 52,6 |
| Canola seed for sowing | 1.296 | 1.361 | 5,0 |
| Frozen french fries | 798 | 902 | 13,0 |
| Pork, fresh, nes | 812 | 877 | 8,0 |
| Pork, frozen, nes | 730 | 873 | 19,6 |
| Durum wheat | 896 | 800 | -10,7 |
| Biscuits and crackers | 638 | 650 | 2,0 |
| Food preparations, nes | 405 | 630 | 55,5 |

Source: Statistics Canada, Export Agri-food for January to December 2004, Monthly Statistical report.

Non-Durum wheat remained as the most important export commodity in 2004 with CDN \$ 2.679 millions, a 38.8% above 2003 followed by boneless and fresh beef with CDN \$ 1.716 millions, back to the pre-BSE crisis figures a 52.6% increase compared with 2003. Live cattle exports continued to be interrupted. The third agri-food export in 2004 was canola seed for sowing with CDN\$ 1.361 million, a 5.0% above 2003.

The US was once more the key market of Canadian agri-food exports with a total of CDN \$ 16.025 millions a share of 60.6%, followed by Japan (CDN \$ 2.495 millions) and European Union (15) (CDN \$ 1.575 millions). In export markets the greatest increase was with China at 304.2% followed by Mexico at 81%.

In 2004, Ontario was in first place as agri-food exporter with CDN \$ 8.579 million, a 32.4 % of Canadian exports, followed by Alberta with CDN \$ 4.833, that increased its figures compared to 2003 in 20.9 %.

EXPORT BY PROVINCE (IN \$ MILLIONS)

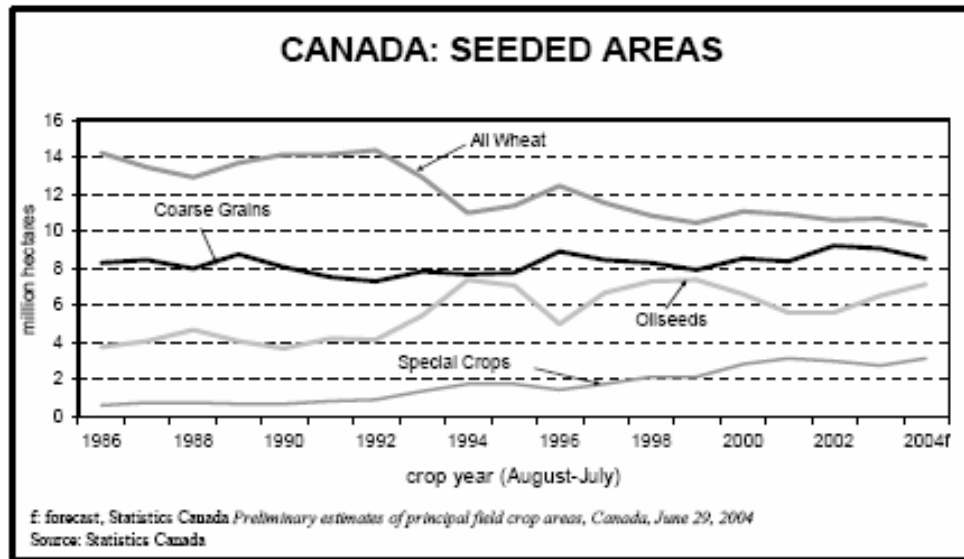
| | 2003 | 2004 | Variation 2003 (%) |
|------------------|-------|-------|--------------------|
| Ontario | 8.265 | 8.508 | 2,9 |
| Alberta | 3.998 | 4.833 | 20,9 |
| Saskatchewan | 3.267 | 3.636 | 11,3 |
| Quebec | 3.433 | 3.583 | 4,4 |
| Manitoba | 3.101 | 3.390 | 9,3 |
| British Columbia | 1.415 | 1.611 | 13,8 |
| Atlantic Canada | 960 | 892 | -7,1 |

Source: Statistics Canada, Export Agri-food for January to December 2004, Monthly Statistical report.

The most important Canadian agri-food imported product during 2004 was wine (included bottled) with CDN \$ 1.039 million, followed by food preparations (not specified) with CDN \$ 694 millions and biscuits and crackers (CDN \$443 millions). Geographically, agri-food imports were lead by the US with CDN \$ 12.258 million (60.55%), followed by European Union (15) with CDN \$ 2.768 millions and México (CDN \$ 582 millions).²

² . Imports Agri-food for January to December 2004. Monthly Statistical Report, Statistics Canada.

Canada is the seventh largest wheat producing country in the world and leading producer of high protein milling wheat. Wheat continues to be Canada's largest crop in terms of both seeded area and production supporting a large domestic processing industry which is the single largest earner of export revenue in agriculture production.³



Over the past five years, the three largest export markets for Canadian non-durum wheat were the US, Iran and Japan. Other major markets were México, Indonesia, the EU 15, Philippines and Venezuela. China emerges as a major market as the forecast for total Chinese imports indicates 8 Mt in 2004-2005, a rise from 3Mt. in 2003-2004. Canada is expected to capture a significant share of this market.

Canadian canola in 2004 had an increase in both seeded area and production in comparison with 2003. The seeded area grew from 11.587 hectares to 12.201. Production increased to 7.78 million tonnes against 6.77 in 2003. The contrasts in canola production were due to a severe drought suffered in the principal seeded areas such as Saskatchewan and Alberta. These provinces accumulate near 9.500 hectares and 5.80 millions tonnes in 2004, representing the 78 % and 75.3 %, respectively.⁴

³ . Profile of The Canadian Wheat Industry, Bi-weekly Bulletin, July 2004, Vol 17 Number 11, Agriculture and Agri-Food Canada.

⁴ . Profile of the Canadian Oilseeds Sector, Parts 1 and 2. August and September 2004. Bi-weekly Bulletin. Agriculture and Agri-Food Canada.

Canola oil exports in 2004/05 declined from the 2003/04 level due to increased competition from soy oil on the world market. Shipments in 2005/06 will be rising marginally in view of the move towards oilseeds lower in trans-fats which includes canola.⁵

The meat processing industry is the largest sector of food industry. In 2004 Canada's domestic red meat output was a record 3.4 million tonnes and per capita meat consumption appears to have gained slightly as both beef and pork was in greater supply. The processing sector continued to consolidate; firms rationalized operations and upgraded facilities and processes to meet market reference of a rapidly changing consumer marketplace in Canada and abroad. In opposition of this, the meat industry continued to battle unnecessary trade irritants and foreign inspection challenges and now must manage the debates about biotechnology, GMO's, environment issues, origin labelling and animal rights activism.⁶

As shown in the following table Canadian domestic meat output gained about 9.5% in 2004 to 3.4 million tonnes with pork up over 2% and beef up about 22%

CANADIAN MEAT OUTPUT

| | 2002 | 2003 | 2004** | Change |
|------------------------|----------------|----------------|----------------|---------------|
| - '000 metric tonnes - | | | | |
| Beef | 1,256.2 | 1,148.7 | 1,401.4 | + 22.0% |
| Veal | 37.5 | 41.5 | 47.3 | + 14.0% |
| Pork | 1,858.4 | 1,882.4 | 1,920.0 | + 2.0% |
| Mutton & Lamb | 14.7 | 16.3 | 16.7 | + 3.0% |
| TOTAL | 3,166.8 | 3,088.9 | 3,385.4 | + 9.5% |

Source: Statistics Canada Cat. #32-603 –

Apparent Per Capita Food Consumption in Canada;

Statistics Canada Cat.#23-203 - Livestock and Animal Products Statistics;

* Commercial domestic production – excludes live animal exports and imports

** Canadian Meat Council estimate.

Canadian cattle slaughter (federally-inspected) grew a 26% in 2004 reaching 3.7 million head, getting back to production level previous to the BSE crisis. Alberta slaughter increased to 2.6 million head (70% of Canadian total slaughter), followed by Ontario, and processed 637,000 cattle, a 17% above the past year.

⁵ . Profile of the Canadian Oilseeds Sector, Parts 1 and 2. August and September 2004. Bi-weekly Bulletin. Agriculture and Agri-Food Canada.

⁶ . Canadian Livestock and meat industry. Canadian Meat Council, 2005.

All plants – large and small- increased slaughter and new plants were included in several locations across the country.

CANADA 'S LIVESTOCK AND MEAT EXPORTS

| | 2001 | 2002 | 2003 | 2004* |
|------------------------------|-----------------------|-------|-------|-------|
| | (millions of dollars) | | | |
| Red Meats | 4,725 | 4,675 | 4,057 | 4,880 |
| Live Animals (excl. poultry) | 2,391 | 2,498 | 1,302 | 841 |

Source: Agriculture and Agri-Food Canada * Projected, based on October data.

Beef export dropped dramatically in 2003 as a result of the initial finding in May of a BSE outbreak. Exports started to come back, particularly to the US, the last quarter of 2003 and continued to build up in 2004.

Canada's Pork trade in 2004 had a balance of 863.800 tonnes of net exports, an increase near 2 per cent over 2003. Of these 43% went to the U.S. followed by Japan as the second largest market, (205.000 tonnes), up 7 per cent from 2003. Other key global markets were Mexico (68.800 tonnes), China (36.500), Australia (31.485), South Korea (31.485) and Taiwan (23.800).

Poultry, both chicken and turkey, has the principal share of meat consumption in Canada, with a 36,2 percent or 34,7 Kg Per capita, followed by beef and veal (34,6% and 33,3,Kg.) and pork (26,2% and 25,2 Kg.).⁷

CANADA'S BROILER SITUATION

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 (p) | 2005 (f) |
|--|------|------|------|------|------|------|----------|----------|
| (1,000 tons; ready to cook equivalent) | | | | | | | | |
| Production | 798 | 847 | 877 | 927 | 932 | 929 | 920 | 938 |
| Imports | 55 | 62 | 69 | 74 | 80 | 81 | 130 | 115 |
| Exports | 53 | 47 | 55 | 69 | 84 | 76 | 70 | 75 |
| Consumption | 794 | 866 | 891 | 924 | 915 | 939 | 980 | 982 |

Source: Profile of the Canadian Chicken Industry, Agriculture and Agri-food Canada, 2005

Canadian broiler meat production experienced a shock in February 2004, when HPAI (High Pathogenic Avian Influenza) outbreaks hit the Fraser Valley area of Southern British Columbia (BC). However, broiler meat production in the first seven months of 2004 fell only by 2 percent, as other broiler producing regions in

⁷ . Profile of the Canadian Chicken Industry; Poultry market Place: Agriculture and Agri-Food Canada, 2005

Canada increased production to offset the significant depopulation in BC. Due to import bans placed on Canadian poultry products from January-August 2004; Canadian broiler meat exports to the world fell 20 percent from the previous year. In 2003, Canada's major export markets for broiler meat included the United States, South Africa, Russia, China and Cuba.

Milk and dairy production reached in 2004 76.099.218 hectolitres, increasing from 75.481.970 HI in 2003 (2.2 per cent). The provinces the Ontario y Quebec represented 70.8 % of this total. Canada is an increasing net importer of dairy products due to a growing domestic consumption of processed products such as yogurt, desserts and ice cream.⁸

PRODUCTION OF MILK AND CREAM

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|--|--------------|-----------|-----------|-----------|-----------|
| | Kilolitres | | | | |
| Canada | | | | | |
| Quantity | 7,498,613 | 7,556,398 | 7,375,749 | 7,548,197 | 7,662,742 |
| | \$ thousands | | | | |
| Value | 4,029,833 | 4,142,313 | 4,135,287 | 4,495,743 | 4,589,909 |
| Note: Comprises the volume of milk and cream sold off farm. | | | | | |
| Source: Statistics Canada, CANSIM, tables 003-0008 and 003-0011 and Catalogue no. 23-001-XIB. | | | | | |
| Last modified: 2005-02-14. | | | | | |

⁸ . Canadian Dairy Commission and Provincial Milk Marketing boards

3.2. Critical issues in the international and national context that impact agriculture and rural life.

Trade Issues

Canada's participation in the World Trade Organization agreements and specifically the North American Free Trade Agreement have improved Canadian producers and agri-businesses access to markets such as the United States, Mexico, Europe, Puerto Rico, Korea and South Africa.

As a result of the NAFTA, a marketplace of over 420 million consumers with virtually all tariffs eliminated on Canadian agricultural exports to the U.S. and Mexico, except chicken, turkey, egg products and refined cane sugar. A three-way trade in agriculture exploded after 1993, almost doubling between 1993 and 2003. Canadian agri-food exports to the U.S. have more than doubled (+110%) during this period, while those to Mexico have more than tripled (+210%). This dramatic growth, which has been far more rapid than the growth in agricultural exports to countries outside North America, has led to changes in the trading patterns between the partners, and has resulted in a more integrated, North American marketplace.

Negotiations resumed in March 2004, after the failure of WTO members to reach a consensus agreement on a framework text for the establishment of modalities on agriculture at the Cancun Ministerial Conference in September 10-14, 2003. Members worked hard throughout July 2004 to reach a framework agreement, which was unanimously adopted by the WTO General Council on July 31, 2004. The framework on agriculture is part of a broader package setting out the way forward for the Doha Development Agenda. The framework includes, at least, four Canadian proposals: a harmonizing approach to reduce trade distorting domestic support; a methodology for product-specific caps be negotiated in a way that allows the opportunity to press for an equitable approach; a review about green box addressed to ensure the most minimal distorting effects on trade and production and finally, a suggestion regarding market access improvements for sensitive products. Negotiating sessions were held in each of the last three months of 2004 with the next session planned for early February 2005.

The Free Trade Agreement for the Americas negotiations envisages the creation of a comprehensive hemispheric free trade area, comprising the 34 IICA member countries of North, Central, and South America and the Caribbean. The deadline for the completion of the negotiations was January 2005.

Canada's negotiating position in the FTAA is fully consistent with its position in the World Trade Organization (WTO) as it views the FTAA mainly as a market access negotiation, with the primary goal being to achieve access for Canadian

agri-food products to FTAA markets on terms more favourable than is likely to be possible in the WTO.⁹

The current softwood lumber dispute between Canada and the US (Lumber IV) commenced in April of 2001. From May 22, 2002 to Dec 20, 2004 most Canadian softwood lumber exported to the US was subject to a combined countervailing and anti-dumping duty of 27%, collected by US Customs. As of December 20, 2004, the duty has been reduced to 21%.

According to the National Forestry Database and Statistics Canada the revenues of the sale of timber in 2002 generated close to 36 billion CDN with direct employment of close to 350,000 jobs led by British Columbia.

Innovation Issues

The Cartagena Protocol on Biosafety is a supplementary agreement to the Convention on Biological Diversity adopted on January, 2000, which seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology. It establishes an advance informed agreement (AIA) procedure for ensuring that countries are provided with the information necessary to make informed decisions before agreeing to the import of such organisms into their territory. The Protocol contains reference to a precautionary approach and reaffirms the precaution language in Principle 15 of the Rio Declaration on Environment and Development. The Protocol also establishes a Biosafety Clearing-House to facilitate the exchange of information on living modified organisms and to assist countries in the implementation of the Protocol.¹⁰

The Biosafety Protocol entered into force on September 11, 2003. However, most LMO's exporting countries have not ratified the Protocol, at the moment. Canada supports the environmental objectives of the Biosafety Protocol and proceeded to sign the agreement in April 2001. Since that time, the Government of Canada conducted broad stakeholder consultations to obtain views on the issue of ratification. On November, 2003, Canada made a decision not to ratify the Biosafety Protocol until further clarity was achieved on the implementation of key provisions of the Protocol.

During 2004, multilateral negotiations took place during the first Meeting of Parties in Kuala Lumpur, Malaysia, in February. The Government of Canada, along with industry associations, non-governmental organizations and representatives from the civil society, played an active role at the first Meeting of Parties. The Government of Canada is currently analysing the decisions taken by Parties and will assess, in consultation with stakeholders, the outcomes of the meeting in order to form a decision on ratification.

⁹ . WTO negotiations on Agriculture. Agri-food Trade Policy. Agricultural and Agri-Food Canada.

¹⁰ The Biosafety Protocol. Agri-food Trade Policy. Agricultural and Agri-Food Canada

While the Meeting of Parties to the Protocol has provided an interim approach to documentation requirements, exporters and importers will continue to use the voluntary trilateral arrangement signed between the Governments of Canada, Mexico and the United States in October, 2003. The trilateral arrangement provides clarity to exporters and importers of Living Modified Organisms destined for food, feed or for processing and is consistent with the environmental objectives of the Protocol.

Agricultural Health and Food Safety Issues

The U.S. Food and Drug Administration's (FDA) **Bioterrorism Act**, which came into effect December 12, 2003, was subject to full enforcement by U.S. officials effective August 13, 2004. The new regulations included registration with the USDA of food facilities and prior notice of imported food into the U.S. from facilities that manufacture, process, pack, distribute, receive or hold food and animal feed for consumption in the U.S. As the US is the main agri-food market the Canadian Food Inspection Agency (CFIA) together with the agri-food and shipping industry involved in trade to and via the United States were involved in the compliance of the new regulations.

BSE continued to be a key issue for Canadian exports during 2004. Achievements towards the re-opening of a key Asian market was made with Taiwan confirming its intention to conditionally grant Canada access for boneless beef and Hong Kong agreeing to resume trade in Canadian beef in late October. Negotiations with other important Canadian beef markets such as Japan and Korea continued developing and the prompt re-opening of these markets is expected. Also in December, Cuba agreed to re-open its border to a broad range of Canadian beef products.

The Ministers of Agriculture of Canada, Mexico and US agreed to enhance ongoing efforts to increase harmonization and equivalence of BSE regulations and to address the challenges of the BSE findings in North America with the goal of ensuring the continued safety of the North American food supply and maintaining consumer confidence in beef. The highly integrated nature of the North American beef industry was recognized, as was the need for a coordinated approach to address both the regulatory and trade aspects of the current BSE challenges.

In September, the Government of Canada announced a strategy to assist Canada's livestock industry in repositioning itself to ensure its long-term viability. The strategy was developed in close consultation with the provinces, territories, the Canadian Cattlemen's Association, and other industry groups with a federal investment of up to \$488 million into the industry. The strategy included continuing efforts to re-open the US border, steps to increase ruminant slaughter in Canada, measures to sustain the cattle industry until capacity came online and expanding access to export markets for both livestock and beef products. Cash

flow and liquidity issues were addressed through a special accelerated cash advance provision under the Canadian Agricultural Income Stabilization (CAIS) program. Other measures were to further strengthen the scientific capacity and regulatory framework to ensure the health of the Canadian herd and the safety of beef products. These additional measures included implementation of a reimbursement program to increase access to animals targeted for BSE testing and will ensure Canada has a world-leading tracking and tracing system for livestock.

As of October 27, 2004, with more than 8,600 animals tested for BSE with negative results Canada exceeded its 2004 surveillance testing targets of 8,000 before schedule. The surveillance program focused on testing high-risk cattle: dead, dying, diseased and down cattle over 30 months of age and cattle showing neurological symptoms consistent with BSE.

Finally, on December 30th 2004 CFIA announced the detection through the national surveillance program of a suspect. The animal was identified as 10 year old dairy cow, a downer, one of the high-risk categories targeted by the surveillance program. Similar to the two North American BSE-infected animals detected in 2003, this animal was born before the Canadian and American feed bans were introduced in 1997. Although the USDA announced that this would not affect the opening of the borders for live cattle in March the detection of another native case of BSE in December 2004 may jeopardize this agreement.

In February 2004, the CFIA identified the presence of a low pathogenic H7 avian influenza in the Fraser Valley area of southern British Columbia. Subsequent tests revealed the presence of highly pathogenic H7 avian influenza in British Columbia in March 2004. The CFIA depopulated all infected premises on which highly pathogenic avian influenza (42 commercial and 11 backyard premises) was found and pre-emptively destroyed all birds in the surrounding three kilometers areas. Approximately 19 million birds were depopulated including birds from commercial establishments as well as backyard birds.¹¹

The outbreak of AI in the Fraser Valley of B.C. raised considerable concern in the public health sector as well as economic hardship for the agricultural community. The corresponding efforts of Canada's federal, provincial and municipal response organizations required a major allocation of resources and expertise.

A number of trading partners including Japan and South Africa temporarily suspended the import of various poultry commodities from all of Canada, including live birds and poultry products, while other countries, such as the United States, limited their restrictions to products from the Province of British Columbia. In addition, the European Union has confirmed that it will regionalise its measures, thereby limiting import restrictions to the Control Area in B.C.'s Fraser Valley.

¹¹ Avian Influenza in British Columbia. Animal Health and Production Division, CFIA, 2005.

In July 2004, the CFIA's Corporate Planning, Reporting and Accountability Branch initiated a "lessons learned" review to analyze and document the effectiveness of the CFIA's management of the Avian Influenza (AI) outbreak in the Fraser Valley of British Columbia (B.C.) with the objective of learning the most from the experience; avoid repetition of errors and emulate success; and identify potential improvements that may be implemented and institutionalized for response and management of future outbreaks. The review identified issues, lessons learned and provided recommendations based on five critical topics of study:

- Leadership
- Intelligence and Information Management
- Processes and Protocols
- Communications and Linkages
- Capacity

This review recognized that the effort to control the outbreak of AI was widely viewed as being successful, that considerable effort was made by all parties to respond to the outbreak and that as a result, the spread of the disease was contained within the Fraser Valley of B.C. Also, that innovative measures and improved procedures were developed to respond to problems that were not foreseen in the contingency plans. Consumer and market confidence in poultry products were maintained and movement of risk-free product out of the control zone continued. And the effectiveness of Canada's control measures was recognized by trading partners, as evidenced by the fact that regionalization was accepted by both the E.U. and the U.S.

It also identified a number of areas where additional focus by the CFIA could bring about improvements in the effectiveness of future responses. The identified areas for improvement pertained primarily to emergency planning and preparedness, as well as strategies to improve data management and information flow.

The ISPM 15 was approved by IPPC countries to harmonize treatment procedures in order to mitigate the pest risks associated with international movement of all shipments that involve wood packing. Therefore, effective June 1, 2004, Plant Health Division, Plant Products Directorate, Canadian Food Inspection Agency/ CFIA published the Directive 98-08, "Entry Requirements for Wood Packaging Materials Produced in All Areas Other Than the Continental United States". This directive provides the requirements for the entry for all wood packaging materials including dunnage, pallets or crating made from non-manufactured wood entering Canada from all areas except the continental United States. It also outlines the disposal or processing procedures for all regulated wood packaging materials not meeting the entry requirement.

Many exotic plant pests have been intercepted on wood dunnage, pallets, crating or other wood packaging materials. Examples of plant quarantine pests intercepted include: *Anoplophora chinensis*, *Anoplophora glabripennis*, *Ips typographus*, *Hylastes ater*, *Monochamus* sp, *Trichoferus campestris* and others. The introduction of the Asian long-horned beetle (*Anoplophora glabripennis*), pine shoot beetle (*Tomicus piniperda*), emerald ash borer (*Agrilus planipennis*) and other exotic pests now established in parts of North America can be linked to international shipments containing wood packaging materials.

The approved methods of treatment are 1. Heat Treatment. All wood packaging material must be heated to a minimum internal wood core temperature of 56°C for 30 minutes. Kiln-drying, chemical pressure impregnation, or other treatments may be used as a means of achieving heat treatment provided that the above temperature and time requirements are met. 2. Fumigation Wood may be fumigated with methyl bromide at normal atmospheric pressure at the following rates:

| Temperature | Dosage rate g/m ³ | Minimum concentration (g/m ³) | | | |
|---------------|---------------------------------|---|--------|--------|---------|
| | | 0.5 hrs. | 2 hrs. | 4 hrs. | 16 hrs. |
| 21°C or above | 48 | 36 | 24 | 17 | 14 |
| 16°C or above | 56 | 42 | 28 | 20 | 17 |
| 11°C or above | 64 | 48 | 32 | 22 | 19 |

3. Other Treatment Methods. The CFIA may approve other treatment measures, if it can be proven that such measures are effective in minimizing the risk of quarantine pests associated with untreated wood packaging materials.

National issues in rural development

During 2004, after a very thorough process of consultation with a wide range of groups and individuals, all provinces and territories signed the Agriculture Policy Framework “Implementation Agreements” with the Government of Canada. The APF is a comprehensive instrument jointly developed by Federal, provincial and territorial agriculture authorities to enable Canadian agriculture and agri-food sector to meet the challenges and opportunities of the 21st century for its modernization and continued prosperity. The Framework was agreed upon in principle on June of 2001 with the idea of developing an articulated action plan with common goals and effective mechanisms for implementation to secure the benefits of a consistent approach with flexibility and respecting jurisdictions and responsibilities. The goal was to develop an integrated and comprehensive policy that would: a) foster confidence in food safety and food quality systems and the environment, b) accelerate advances in science and technology; and c) provide farmers with the risk management and renewal tools to be more competitive.

APF contemplates five elements:

1. Business risk management programs to stabilize agriculture income (Canadian Agricultural Income Stabilization) and to increase risk management capacity (Private Sector Risk Management Partnerships, PSRMP)
2. Food safety and food quality programs to develop and implement quality control systems with trace back of products through the food chain (Canadian Safety and Quality Program).
3. Science and innovation programs as a cornerstone for continued Canadian leadership in food safety, innovation and environmentally responsible production to develop new products with practices that ensure preservation of heritage.
4. Environment programs to accelerate efforts to reduce agricultural risks for soil and water and ensure long-term vitality and profitability
5. Renewal programs to keep pace with a continuous change in a knowledge intensive agriculture enhancing management and consulting services, management and marketing information and linkage with scientific advances with tools such as Benchmark for Success, Agriculture Services and Canadian Farm Business Advisory Services.

3.3. The status of living conditions in rural communities in Canada.

3.3.1. The Rural Canada Challenges

The challenges for the sustainability and viability of rural and remote communities are varied and complex. Single-industry communities that depend on a particular natural resource such as forests, minerals, agriculture or fish are vulnerable to sharp, cyclical downturns. One diversification possibility for rural communities is small business. Sixty percent of new small business starts are in rural communities; however, this accounts for only 12.5 percent of rural Canada's GDP. In addition, rural employment is growing slower than in urban Canada, and unemployment is 1.4 percentage points higher in rural Canada. With respect to burgeoning Internet opportunities, rural households are becoming more connected to the Internet; however, the "digital divide" between rural and urban Canada is widening due to both a lack of access to high-speed connections and lack of skills in the use of the technology. With respect to skills development, the gap between post-secondary education levels for rural and urban youth has decreased, although significant out-migration by rural youth to find education and employment opportunities is having an impact on rural demographics. These challenges are intrinsically linked with other unique circumstances faced by rural communities, such as distance from urban markets, geography and low population density.

Rural development efforts that integrate all aspects — economic, social, environmental and cultural — better equip rural and remote communities to face the challenges and better support the longer-term viability and sustainability of

rural communities. By strengthening rural communities, Canada will be in a better position to take advantage of the promise and opportunities brought about in the 21st century.

3.3.2. Farm performance

Farm performance varies widely among Canadian farms of the same type, size and region. Differences are mainly related to the lower costs for the higher performing farms. More than 98 per cent of all the farms in Canada are family owned and operated, and agriculture represents one of the key pillars of the rural economy. But it is not the only one. Many rural and remote communities have been built on other natural resource and primary sector activities, such as forestry, fishing, mining and energy, hunting and trapping. These sectors are major contributors to the national economy through resource extraction and value-added processing. Strong rural communities form much of the social fabric of the country and provide a solid foundation for all of Canada.

The Net Operating Income per farm varies significantly by farm type. Potato, poultry and dairy farms tend to be larger and have higher net operating income per farm while beef cattle, other animal, and fruit and nut farms are smaller and have lower net operating incomes. There is a large diversity among such factors as age of the operator, financial situation and size of the operation. AAFC use these factors to develop a typology in which about half of Canada's farms were business focussed. They accounted for 88% of agricultural revenues and 82% of program payments. The remaining farms are classified as retirement farms, lifestyle farms and low income farms. All but the very large business-focussed farms rely heavily on off-farm income sources.

Regarding labour productivity, this growth in Canadian agriculture has exceeded other major industries in recent years. Between 1997 and 2002, labour productivity growth in the crop and animal production sector averaged 5.8%, nearly three times the economy-wide average of 2.3%. With increased agricultural productivity comes a decline in primary agricultural employment. About 340,000 Canadians are employed in agricultural production (2% of the labour force), half the level of fifty years ago. Increased productivity has enabled farms to increase their size while remaining family owned and operated: over 98% are still family farms. Only 35% of those employed in the primary agriculture industry are employees of private sector firms, the remainder are self-employed or unpaid family workers.

Livestock yields have increased over time as a result of genetics, technological improvements and better management practices. Crop yields have also shown steady growth as a result of plant breeding and management practices (i.e. rotations, fertilizer, and tillage). Technology improvements and increased competition have contributed to the decline in real wheat prices as well as most agricultural commodities.

According Farm Income Issues Data Source Book (February, 2005), in the Census of 2001, the number of farms in Canada has declined since 1941 to reach 246,923 in 2001, a 22.4 per cent below 1981. In the opposite trend, the average size of farm had increased a 31.9 per cent in the same period, and equally, the total farm output.

As a similar shift in agricultural production to larger-scale farms is occurring in most developed economies, farms in Canada are also becoming increasingly specialized in production. In 2002, about two-thirds of Canada's agricultural production was produced on farms that had 90% or more of gross farm receipts derived from one commodity type.

In 2002, 83% of farms in Canada were small to medium size (revenues less than CDN\$ 250,000) compared to 91% in 1992. However, between 1992 and 2002, higher proportions of farm revenues were being generated by the very large-size farms (revenues of CDN \$500,000 and over). In 1992, 25% of total farm operating revenues were generated by these very large-size farms rising to 53% by 2002. This shift has reduced the share of production of farms in the CDN \$50,000 to \$249,999 revenue class where the share of total farm operating revenues has decline from 45% to 24%.

There are several indicators of economic performance and income can be measured before or after program payments and before or after depreciation. All of the indicators show downward trends after adjusting for inflation but other indicators such as farm capital and asset values indicate a more positive outlook for the industry.

Net Cash Income (NCI) in Canada is forecast to increase 37 percent in 2004 and should return to a level similar to the 1999-03 average. The major drivers of this significant improvement in farm income include stronger grain and oilseed marketing, much stronger North American hog prices and record high program payments.

Realized Net Income (RNI), which takes depreciation into account, is expected to increase from \$-28 million in 2003 to \$1.6 billion in 2004 at the Canada level. Total Net Income (TNI), which adjusts for changes in farm inventories, is expected to increase by 15 percent during 2004.

The Net Cash Income (NCI) is expected to decline by about 8 per cent in 2005 as a result of a strong increase in livestock receipts but a lower crop receipts due fair international market prices level and the drop of special payments as BSE program.

Crop receipts are expected to drop by 6 per cent in 2005, with more significant decline for the Prairie Provinces due to continued weakness in grains and oil seeds markets and poorer quality.

At last, operating expenses are forecast to increase by 2 per cent as a result of higher prices of fertilizers, higher interest costs and a large increase in livestock purchases. On the other hand, feed prices are expected to continue to decline as a result of relatively large feed supplies.

4. SUMMARY OF THE NATIONAL AGENDA



4. SUMMARY OF IICA CANADA NATIONAL AGENDA

4.1 Trade and Agribusiness Development

4.1.1 Topic: Trade Negotiations and Integration

4.1.1.a Promote, throughout the hemisphere, Canada's experience with institutional modernization and its expertise in the area of international trade agreements

4.1.2 Topic: Access to International Markets (Development of Export Platforms)

4.1.2.a Promote Canadian agriculture, as well as associations serving agribusiness services and food sub sector

4.1.2.b Promote means for public and private organizations of Canada and the LAC countries to identify, develop and implement actions aiming to establish trade relations

4.1.2.c Promote strategic alliances among agri-business associations of Canada and LAC

4.2 Agricultural Health and Food Safety

4.2.1 Topic: Application of Sanitary and Phytosanitary Measures

4.2.1.a Develop mechanisms for involving IICA's member countries in the committees on sanitary measures of the WTO, CODEX, OIE and IPPC

4.2.2 Topic: Modernization of National Agricultural Health and Food Safety Systems

4.2.2.a Promote alliances between agricultural health services and research organizations in order to identify technical cooperation that will contribute to implementing the WTO Agreement on Sanitary and Phytosanitary Measures (ASPM)

4.2.2.b Support training on the subjects of equivalencies, hazard analysis and emerging issues

4.2.2.c Facilitate an exchange of sanitary and phytosanitary information among Canada and LAC countries

4.2.3 Topic: Food Safety

4.2.3.a Support the executive leadership series on food safety (CERES)

4.3 Sustainable Rural Development

4.3.1 Topic: Strategies and Policies for Sustainable Rural Development

4.3.1.a Contribute to preparing joint Canada – LAC projects to address the subject of sustainable development

4.3.1.b Promote the exchange of information and collaboration between Canada and the LAC countries on the subject of sustainable rural development and natural resource management

4.3.1.c Contribute to identifying and formulating projects of mutual interest to Canada and LAC countries on the sustainable rural development and natural resource management

4.4. Education and Training

4.4.1 Topic: Training in strategic areas

4.4.1.a Provide Canadian graduates with the opportunity to gain experience with technical cooperation and with implementing projects at IICA Headquarters and through its network of offices (Internship Program)

4.4.2 Topic: Integration of University Education

4.4.2.a Strengthen ties among Canadian and LAC universities, research institutes and public and private institutions

5. RESULTS OF TECHNICAL COOPERATION FOR 2004



Internship program recipient in Lima, Peru

5.1 FACILITATING COMPETITIVENESS AND GLOBAL TRADE

5.1.1 Sponsoring, facilitation and participation at the 10th Conference of Montreal or The International Economic Forum of the Americas

The Conference of Montreal has become “The Economic forum of the Americas”, and more than a conference, it is seen as a forum for encouraging bilateral meeting with speakers. During 2004, it took place from June 7 to 10 in Montreal, Canada. Leaders and leading experts from the world of politics, economy and civil society participated in the Conference, including the Honorable Jean Charest, Prime Minister of Quebec, James D. Wolfhenson President of the World Bank Group, and members of multilateral development banks such as Enrique Iglesias from the Inter-American Development Bank, Jean LeMierre from the Bank for European Reconstruction and Development, Theodore Nkodo from the African Development Bank, and Liqin Jin from the Asian Development bank.

The Conference’s main theme was “Competing in a Fast Changing World- Strategies for success” with 2346 participants and 149 speakers from around the world. The conference also dealt with international economy, emerging technologies, corporate social responsibility, energy, agriculture and agri-food, international trade, quality control, productivity, sustainable development , finance, political relations, public-private partnerships and regionalism.

Agriculture and Agri-Food Canada organized a forum dealing with the challenges and risks of present day agriculture and agri-food. The first of three parts dealt with the strategic alliances that Canadian producers and Agri-food businesses can pursue to become more competitive in international trade. The chair for this discussion was Andrew Marsland, Assistant Deputy Minister at Agriculture and Agri-Food Canada. Part two, which concentrated on the consolidation of commercial relations in North America, was chaired by the Honorable Roy McLaren, Former Minister of International Trade Canada. The third part which dealt with the emergence of new competitors in the global market, notably Asia and Latin America, was chaired by Ken Matchett, President of Rimal International and Vice president operations of the Asian development bank. Dr. Mario Seixas, Associate Deputy Director General and Technical Cooperation Secretariat of the Inter-American Institute for Cooperation in Agriculture, IICA, was one of the speakers in this forum.

During this Conference, IICA organized an Agri-business Workshop on how to work with IICA to accomplish greater market success, and profitable trade agreements in Latin America and the Caribbean. Miguel Garcia Winder, Director of Development of Agri-business of IICA, chaired the session with invited speakers from Latin America. Mr. Juan Ignacio Aristigueta, CEO of the Commodity Exchange in Venezuela (BOLPRIAVEN), presented a successful case on a market instrument developed with the support of IICA in the Andean

Region, and Mr. Tarcisio Mora, General Manager of the Corporation for Agriculture Exports in Costa Rica, made a presentation on IICA's involvement with small and medium sized producers in preparation for accessing international markets. The two successful examples of IICA involvement in agri-business were well received by participants with the recommendation of the need for IICA to increase the awareness of its interaction and successful initiatives in Latin America and the Caribbean.

IICA's sponsorship and participation gave agri-business and other agriculture participants from the Americas a chance to meet and forge links with representatives of government, public service, international organizations and academia.

5.1.2 Facilitation and participation for enhanced cooperation between IICA and the Forum for International Trade Training, FITT, for capacity building and certification in LAC countries.

The FITT (Canada's centre for international trade training and certification) is a national, not-for-profit, professional organization, founded in 1992 by industry and government to develop international trade training programs and services, establish country-wide standards and certification, and generally ensure continuing professional development in the practice of international trade. FITT programs are delivered across Canada through community colleges, universities, private organizations and online. FITT is the only organization in Canada to accredit a professional designation to international trade practitioners, the Certified International Trade Professional, C.I.T.P.

On June 09, 2004, a meeting was conducted with Caroline Tompkins, President of FITT, IICA Director of Agribusiness Development, Miguel Garcia Winder and Dr. Pat Pentney, Representative ai, Canada Office.

The objective of the meeting was to discuss potential collaborative opportunities by enhancing cooperation beyond the current agreement related to the agricultural module for export used in the export platforms. FITT currently is in the process of developing international opportunities to partner in the area of FITT Skills program delivery which upon completion will result in full certification and CITP eligibility.

The Director of Agribusiness Development is assessing the feasibility of IICA becoming a licensee under the international program. The license to deliver FITT Skill program included the following:

- i. Reproduction and distribution of FITT Skills material according to the printing standards established by FITT
- ii. Capacity to translate material

- iii. Administer the FITT national exams according to the policies and procedures of FITT
 - iv. Market FITT skills
 - v. Right to utilize FITT name and logos in accordance with the standards established by FITT
 - vi. Upon successful completion, participants receive FITT credentials
- To further enhance the IICA-FITT collaboration, FITT representatives have agreed to participate in one or several of the IICA export platform programs, as well as collaborate on informal workshops.

5.1.3 Sponsoring and participation in the North American Consulting School of the Canadian Consulting Agrologists Association, CCAA

The Canadian Consulting Agrologists Association (CCAA) is a member-driven organization of professional consultants, dedicated to providing consulting services to agricultural sectors across the world. Committed to providing leadership for excellence in agricultural consulting, the CCAA promotes competency standards, certification and professional development. The CCAA also provides a collective national voice and acts as an advocate for the profession of agriculture consulting, with a view to maximizing the exposure of CCAA members in the global agriculture industry. The CCAA works in collaboration with the American Society of Agricultural Consultants (ASAC) under the terms of a formalized Memorandum of Understanding and is working towards similar relations with Mexico.

IICA Canada continues to be a major sponsor of the CCAA Annual North American Consulting School as it shares the vision of continued professional development, networking, leadership, and outreach to incorporate similar associations in the United States, Mexico and other countries in Latin America and the Caribbean. During 2004, IICA's Representative was a guest speaker at the Advancing Your Business Skills Session, where an overview of the institution's, strategic lines of action and opportunities for consultants in Latin America was presented as the key note address, and at the luncheon where the role of the consultant in emergency and emerging agriculture health and food safety issues was addressed.

The 2004 North American Consulting School was held at the Greenwood Inn in Calgary, Alberta, March 11 & 12, 2004. The 2004 program of "Excellence in Agricultural Consulting" was focused in three key areas; advancing business skills, client services, and business development with expert speakers from Western Financial Group, Sercon Management Consulting, Meyers Norris Penny, American Society of Agriculture Consultants, Agriteam Canada, Alberta Pork, Canadian Cattleman's Association, Olds College, Agriculture and Agri-Food Canada and IICA. This year the school provided continuing professional development for over 100 consultants in the field of Agriculture. This effort

provides the infrastructure for consultants to fulfill requirements of continued professional development, together with enhanced networking capacity, identification of emerging consulting opportunities both nationally and internationally, and business skills such as; alliances and partnerships, ethics, contract law, developing and maintaining good client relationships.

Additionally, IICA was an invited guest of the CCAA Board of Directors in meetings with Agriculture and Agri-Food Canada on the Agricultural Policy Framework (APF) in the delivery of the farm renewal program and subsequent meeting with the American Society of Agricultural Consultants.

A draft MOU prepared together with CCAA authorities is in the process of negotiation with headquarters, to engage CCAA and IICA in capacity building activities for LAC.

5.1.4 A Farmer to Farmer Exchange was sponsored and facilitated between NFU (Canada) and ASOPROCONA (Costa Rica)

The Farmer to Farmer exchange program facilitated the exchange of farmers associated with the National Farmers Union (NFU) and the National Association of Farmer Organizations (ASOPROCONA) which represent family farmers in Canada and Costa Rica, respectively. Technology transfer included production techniques utilized by Canadian farmers in the production of tomatoes, cucumbers, sweet peppers, carrots and Onions. Canadian farmers (NFU) were interested in technology transfer, production alternatives employed by ASOPROCONA and direct marketing of member production. The exchange took place in two phases: ASOPROCONA members to Canadian Farms and processing plants July-August 2004 and NFU to Costa Rica Farm in January 2005.

During the summer of 2004, Diego Arroyo and Ronny Sanchez from Costa Rica, members of ASOPROCONA, Asociación Nacional de Organizaciones Agropecuarias, toured vegetable, berry and dairy farms of varying scale in several regions of Ontario. Visits to the Toronto Food Terminal, Canadian importers and exporters' facilities, an AAFC Research Center and a 60 acre greenhouse were also included. As stated in their report, they were very impressed by the quality of the organic tomatoes, the potential of producing raspberries in Costa Rica and learning about ways to mechanize their farming operations. They were also able interact with a good number of Canadian producers at the NFU summer get together.

Cathy McGregor-Smith, a full time organic farmer, NFU member from Elgin County, and Corey Versnel, a vegetable grower, President of the Essex Local, visited Costa Rica under the IICA Canada Farmer to Farmer Internship Program on behalf of NFU in January, 2005, visited several farms in Costa Rica. In their Exchange Trip report they wrote their impressions and comments on the micro-

climates and a year round growing season in Costa Rica that allow many types of crops to be grown in a small distance; the fierce competition within vegetable growing marketplace and the need to get produce to market in a timely manner to receive premium prices; the very high seed costs and the need for other sources; preferences in washing equipment from Canadian companies and plans, designs and pictures of market gardening equipment that could be fabricated in Costa Rica.

Cathy also wrote an article for the NFU in Ontario Newsletter commenting that farmers aims are not much different than other parts of the farming world, and how in her short stay, she was able to see many opportunities to learn from them and suggest ideas to them as well.

5.1.5 Partial sponsorship and facilitation of an international rural youth internship with the International Institute for Sustainable Development, IISD, in Costa Rica and the US

During September – October 2004, IICA Canada facilitated the completion of the project “Promoting national capacity for the support of fair trade markets and cooperatives in Latin America and the Caribbean”, by extending Mr. Herb Vanden Dool’s original internship of the Youth Funding Program of the Canadian International Development Agency with the International Institute of Sustainable Development, IISD, at the IICA Washington Office in collaboration with IICA headquarters Sustainable Development Directorate in Costa Rica.

This project addressed the general lack of awareness, experience and information on how national governments, universities and other institutions can aid fair trade producers.

The Fair Trade Symposium was the first public demonstration of the growing fair trade markets in both developed and developing countries. Consumers are concerned about the conditions in which their food and artesian crafts are produced.

5.1.6 IICA Canada and IICA Mexico joint facilitation and support to the Pulse Canada Association and Mexican Bean Producers Association Congress

Pulse Canada’s President, Don Simmons, and Gregg Cherewyk visited IICA Canada in November 2004 to discuss IICA’s possible support for the joint congress with the Mexican bean producers. The Canada Mexico Bean Congress was held in Mexico City on December 8, 2004 joining for the first time Pulse Canada and the Mexican Bean Council. Both Canadian and Mexican producers, as well as researchers, met to discuss future cooperation and potential

exchanges. IICA-Mexico's bean project leader participated highlighting some cases where similar initiatives have been undertaken.

Cooperation through exchanges of growers between Mexico and Canada was explored, with both sides extremely interested, and a discussion regarding the potential to work with IICA to accomplish and establish an exchange.

There was also a great deal of synergy between the Canadian and Mexican researchers identifying a black bean project to work on together and an exchange between the Crop Development Centre in Saskatoon and INIFAP.

The congress was followed by tours of the Canadian Delegation to the production regions of Sinaloa and Durango and to the central markets (Central de Abastos) in Mexico City and Guadalajara with trade receptions in both cities.

Potential areas for partnership between Pulse Canada and IICA were identified, such as collaborative research and producer exchanges, to improve the quality of Mexican beans, harmonization of pesticide use and maximum residue limits enhanced market access for Canadian beans.

Pulse Canada is a partnership between the pulse growers and the pulse trade in Canada. The Alberta Pulse Growers Commission, the Saskatchewan Pulse Growers, Manitoba Pulse Growers Association, the Ontario Bean Producers Marketing Board, and the Ontario Coloured Bean Growers provide direction and funding for Pulse Canada. The processors and exporters of Canadian pea, lentil, bean and chickpea are represented through the membership of the Canadian Special Crops Association (CSCA). The Government of Canada also provides funding under the Agri-Food Industry Marketing Strategy (AIMS) and the Canadian Adaptation and Rural Development Fund.

As stated by Pulse Canada: A presence and credibility in the marketplace are essential when undertaking initiatives that involve such a sensitive commodity.

5.2 PROMOTING FOOD SAFETY AND AGRICULTURAL HEALTH

5.2.1 Facilitation and sponsorship of a joint IICA – PAHO Hemispheric Conference/ Workshop on BSE in the Americas

This conference was a collaborative initiative hosted by the Inter-American institute for Cooperation on Agriculture (IICA) and the Pan American Health Organization (PAHO) to enhance awareness of the need of a proactive approach and capacity building in response to the BSE crisis.

The conference was held on March 04, 2004 at the Crowne Plaza Hotel in Houston, Texas, immediately following the Hemispheric Conference on

Eradication of Foot and Mouth Disease in the Americas. The conference was presided by Dr. Chelston Brathwaite Director General of IICA and Dr. Mirta Rosas Periago, Director of PAHO with approximately 150 participants including 17 Ministers of Agriculture and Health from Latin American countries. Canada was represented by Judith Bossé, Vice President of Science, Canadian Food Inspection Agency, Dr. Paul Kitching, Director of the National Center of Foreign Animal Disease, Canadian Food Inspection Agency, and Dr. James Clark, Animal Health, Canadian Food Inspection Agency.

The conference provided participants with an overview of the international standards for BSE, past, present and future of BSE and vCJD, summarizing the reduced impact of BSE on public health, in contrast to the significant economic and trade issues. Representatives of Canada and United States provided summaries of their respective BSE investigations and emphasized the investment in AHFS systems, which enables countries to respond to emerging issues while maintaining consumer confidence. Current initiatives in the Americas and the importance of AHFS modernization in the prevention and response to agriculture and public health related issues were also discussed.

5.2.2 Facilitation and sponsoring of IICA member countries missions to the SPS/WTO Committee meetings in Geneva

In support of the Initiative on the Sanitary Phyto-sanitary for the Countries of the Americas IICA Canada responded to the Canadian Food Inspection Agency's request to facilitate and sponsor the participation of representatives from 24 IICA member countries to the October 27-28 2004 SPS Committee meeting at IICA headquarters. This Initiative began in June, 2000, with the objective of promoting the presence of capital-based experts at the SPS Committee meetings and to encourage the development of national capabilities.

During this meeting, the final SPS special treatment decision was approved (document G/SPS/33) strengthening importing countries' commitments to provide an opportunity for exporting to developing countries to seek revisions or ask for technical assistance when new or revised measures affecting imports are proposed or introduced. Additionally, over 30 specific trade issues such as measures to control, Ocratoxin A in soluble coffee in EU countries, deviation from international standards on solid wood packing, BSE, Foot and Mouth Disease, Avian Influenza, China's transitional review mechanism, "regionalization" (recognizing specific regions and their freedom from disease or pest) and transparency (improving notification and related issues) were addressed.

5.2.3 Workshops on the International Standard for the Treatment of Solid Wood Packaging Material used in International Trade, ISPM # 15

IICA Canada and the North American Plant Protection Organization jointly sponsored two workshops on the International Standards for Phytosanitary Measures *Guidelines For Regulating Wood Packaging Material In International Trade*, ISPM # 15, in Mexico and Argentina. The workshop in Mexico included the Central American countries and took place in October 18-22, 2004 in Mexico City. In Argentina it took place in Buenos Aires from November 17-19, 2004 and included the South American and Caribbean countries.

The workshop in Mexico reported over 200 participants and the one in Argentina was attended by 170. Governments were represented by National Plant Protection Organizations (NPPO) staff, and the industry by wood processors and exporters. The workshops were aimed at increasing awareness and enhancing capacity building with expert speakers from Canada, the United States and host countries (Mexico and Argentina). The conferences covered various requirements and procedures for the implementation of the ISPM 15 such as wood treatment, accreditation and the scientific grounds for the international standard. Field visits to companies which treat wood packaging were also included during both workshops to facilitate and enhance understanding of processes and procedures.

Solid wood packaging has been identified as one of the most important pathways for pest introduction into countries and regions, the ISPM 15 was approved by IPPC countries to harmonize treatment procedures in order to mitigate the pest risks associated with international movement of all shipments that involve wood packing.

IICA's partnership with NAPPO and other regional organizations such as OIRSA in Central America and Mexico and COSAVE in the Southern Cone in these two successful events consolidated its role as an active participant and facilitator of phytosanitary events of relevance in global trade.

5.2.4 Four expertise exchanges were sponsored in support to a Country to Country collaboration between Canada and Mexico, Argentina, Colombia and Dominican Republic

Foot and Mouth Disease NCFAD/CFIA- SENASICA/CPA

Dr. Paul Kitching, Director of the National Center for Foreign Animal Disease (NCFAD), Winnipeg, Manitoba, and Dr. Alfonso Clavijo a Foot and Mouth Disease expert in collaboration with USDA, performed an assessment of the laboratory capacity of the Mexican vesicular diseases laboratory of the CPA (Comisión México-Americana de Prevención de Fiebre Aftosa y otras Enfermedades Exóticas). The exchange objective of this first phase was to perform an assessment of the Foot and Mouth Disease Diagnostic Capacity in

PCR techniques. Second and third phases will include their implementation during 2005. The Laboratory Capacity building in Mexico is an ongoing collaborative initiative between Canada (CFIA) - USA (APHIS) - Mexico (SENASICA).

Foot and Mouth Disease NCFAD/CFIA – ICA

Additionally, the NCFAD at Winnipeg, Manitoba, Canada, provided expertise to the National Vesicular Diseases Laboratory of the Instituto Colombiano Agropecuario, ICA, in Bogota, Colombia through the internship of Dr. Camilo Sanchez Martinez. The project addressed the molecular characterization of Foot and Mouth Disease strains isolated from the outbreaks in Colombia. The objective was to compare reference strains from South America with selected field strains and vaccine strains from Colombia. The phylogenetic analysis of strains of FMD will provide a rapid and accurate “tool” for the improvement of epidemiological surveillance. Partial nucleotide sequencing of the Vp1 (1D) gene can definitely establish genetic relatedness among FMDV strains. This procedure also permitted the NCFAD to validate its molecular techniques.

Avian Influenza NCFAD/CFIA- FMVZ/UNAM

Dr. Ruben Merino Guzmán is an associate professor from the Faculty of Veterinary Medicine and Zootechnics of the National Autonomous University of Mexico, responsible for serological and virological diagnostics in poultry. The exchange objective: Enhancing Laboratory and Human Capacity in the Epidemiological Investigation and Diagnosis of Highly Pathogenic Avian Influenza. This initial exchange identified continued collaborative opportunities in laboratory capacity building with the National Center for Foreign Animal Disease, Canadian Food Inspection Agency (CFIA), Winnipeg, Manitoba.

Canada's Center for Foreign Animal Disease (NCFAD) is a unique, internationally recognized center that facilitates work at a biosecurity level four category. It is part of the laboratory infrastructure of the Canadian Food Inspection Agency (CFIA) located at the Canadian Science Center for Human and Animal Health, Winnipeg, Manitoba Canada. This facility provides virology, serology, pathology and microbiology testing services for foreign animal diseases (FAD) that are exotic to Canada, for the import and export of domestic and game-farmed animals, poultry and ratites, and for confirmatory testing, reference, and epidemiological and trace back requirements. It also carries out technology development projects to improve detection methods, and provide information on epidemiology, pathogenesis, and transmission of FAD, maintains emergency response capability and a state of readiness for laboratory confirmation of FAD, and conducts training courses for veterinarians in FAD. The CFIA's Centre for Policy and Epidemiology for FAD is located at NCFAD.

Veterinary Pathology AVS/AUPEI- FMVZ/ULP

On June 2 to 4, 2004, the IV Veterinary Pathologist biannual meeting was held in the City of La Plata, Argentina. The program included 16 lectures and 66 poster presentations. IICA Canada, in coordination with the IICA Argentina Office, supported the participation of Dr. Alfonso Lopez Mayagoitia; a prominent veterinary pathology professor from the Atlantic Veterinary College of the University of Prince Edward Island. Dr. Lopez Mayagoitia gave 4 lectures on the pathology of the bovine respiratory system and a presentation on the future of veterinary medicine in North America. Additionally, Dr. Michael Bedoya, at that time IICA's Regional Specialist for the Southern Cone Countries made a presentation on potential spaces for technical cooperation in veterinary pathology associated with the new international demands.

Other lecturers were Dr. Martí Pumarola I Battle, a neuropathologist from the University of Barcelona, Dr. Roberto Guedes from the Federal University of Minas Gerais, Brazil, Dr. Ernesto Odriozola from the INTA (agricultural research institute) and Dr. Osvaldo Pérez of the University of Buenos Aires. The Dean of the Faculty made a public recognition for IICA's support and both Dr. Lopez Mayagoitia and Dr. Bedoya received a letter designating them honorary professors of the Veterinary Faculty of La Plata University. The meeting was attended by 101 veterinary professionals from Argentina, Brazil, Colombia, Chile, Perú, Uruguay and Bolivia. The proceedings are available in the University of La Plata website.

Brucellosis ADRI/CFIA- LAVECEN/MAG

Walter Kelly a Research Scientist at the Animal Disease Research Institute, Canadian Food Inspection Agency, Nepean, spent 2 weeks at the animal health laboratory, Laboratorio Veterinario Central, LAVECEN, in the Dominican Republic. He implemented a primary binding assay, the competitive Enzyme-Linked Immunosorbent Assay (cELISA) to increase diagnostic reliability and introduced the Fluorescence Polarization Assay (FPA), a newer assay for use both in the laboratory and in the field diagnosis of several different diseases in several different species. The Project title was: *Development, Validation and Technology Transfer of Primary Binding Assays for the Serological Diagnosis of Infectious Disease in Animals: RE Brucellosis*

As the result of this internship, five technicians were trained on preparation of reagents, assay procedure and data analysis for the cELISA at LAVECEN located in Santo Domingo. Plus, a seminar was given to lab technicians, supervisors, directors, Animal Health officials and IICA DR representatives on the theory, use and benefits of primary binding assays including the ELISA and the FPA. Additionally, potential areas were identified for further collaboration with respect to ELISA and FPA for other species and diseases (eg. Tuberculosis, Babesia).

LAVECEN is currently involved with a control campaign for brucellosis in cattle that would benefit from Canadian technology and would facilitate the availability

of valuable biological reagents to the Animal Disease Research Center for ongoing and future studies.

5.2.5 Three internships for agriculture and veterinary professionals were sponsored in Canada, Peru and Ecuador in biological pest control and diseases in Alpacas.

Tuber Diseases CLRC/CFIA- CIP

IICA Canada's support permitted a first step in establishing collaborative opportunities with the Crops and Livestock Research Center, AAFC, Prince Edward Island, with the internship trip of Willmer Germán Pérez Barrera, a Phytosanitary Research Scientist at the International Potato Center (CIP) in Lima, Peru. The project presented was: *Detection of Propagules of Soil-borne Pathogens using PCR- based Techniques and Disease Management with Reduced use of Chemicals, Culture Modifications and New-bio-control and Environmentally Benign Treatments*. The International Potato Center, over the past five years had lost its expertise in soil- and tuber- borne potato disease. Nevertheless, because of certain dynamics in the emerging markets of many developing countries, tuber diseases are becoming increasingly important.

Sarcocystis Infection in Alpacas FMV/UM- UPCH

Marie-Eve Fradette a student at the University of Montreal in Faculty of Veterinary Medicine, completed her research project in collaboration and partnership with the Universidad Peruana Cayetano Heredia, Lima, Peru. This internship was her first experience in Latin America and the Project Title was: *Diagnostic Methods for the Detection and Eradication of Sarcocystis Infection in Alpacas in the Andes*. The infection caused by Sarcocystis is endemic to the Andes in alpaca. The alpaca meat and live animal trade is an important local source of income.

Andean Potato Weevil UM/INIA Ecuador

The Andean potato weevil is the most serious pest of potatoes at high altitudes above 2800 meters in the Andean Region (Peru, Ecuador, Colombia and Venezuela). Josée Doyon a Master's Program candidate in Biological Sciences at the University of Montreal completed her project: *Efficacy of Neem (Azadirachta indica A. Juss) Seed Extracts for the Management of the Andean Potato Weevil (Premnotrypes vorax L., Coleoptera Curculionidae)* at the Instituto Nacional Autonomo de Investigaciones Agropecuarias in Ecuador. The objective of the project was to demonstrate that the ingestion of the neem by the Andean potato weevil reduces its fecundity and its longevity, and considering these effects, that the use of neem seed extracts could possibly be an alternative to synthetic insecticides on *P. vorax*. The Director General and the Research Director of INIA are outstanding scientists and former IICA staff.

5.3 STRENGTHENING RURAL COMMUNITIES

5.3.1 Sponsorship and active participation as associate partner in the 3rd National Rural Conference: Taking Action for Sustainable Rural Communities

The 3rd National Rural Conference was held in Red Deer, Alberta, on October 21-23, 2004. This event had approximately 315 participants and involved rural citizens, community and organizational leaders, government representatives and rural youth. This conference focused on actions that address rural concerns and provided a forum to facilitate dialogue between the federal government and the rural citizens on the challenges and opportunities that face remote communities. The conference addressed the themes of community capacity building, entrepreneurship, infrastructure and Northern issues. IICA's partnership with Agriculture and Agri-Food Canada's Rural Secretariat direct its efforts towards initiatives that emphasize agriculture as the main pillar in agricultural communities, and provides a platform for youth to apply their knowledge and expertise on capacity building in rural communities.

The Honorable Andy Mitchell, Minister of Agriculture and Agri-Food Canada, presented the keynote address; the Honorable Wayne Easter, Parliamentary Secretary to the Minister of Agriculture and Agri-Food Canada, presented the conference themes and objectives. Gail Surkan, Mayor of the City of Red Deer, presented the community perspective at the event.

As the conference's only international participant, IICA's involvement in the event was mentioned as being "a tangible demonstration of IICA's commitment to helping build sustainable rural and remote communities throughout Canada," by the Honorable Wayne Easter, Parliamentary Secretary to the Minister of Agriculture and Agri-Food Canada.

By supporting this event, IICA strengthens communications between Canadian rural youth and the Canadian government. By providing support for this important event, IICA fosters rural communities to voice their concerns and helps build the conditions for a dialogue. In this manner, IICA helps to develop and coordinate the implementation of a better understanding of issues and concerns of rural Canadians that will lead into a vibrant participation in society. IICA also works to construct building bridges between the rural youth of Canada with rural youth of other countries of the Americas.

5.3.2 Country to country collaboration between Canada and Brazil in Sustainable Rural Development

Professional exchange occurred between IICA Brazil, the University of Guelph (Canada) and Universidad Federal Rural de Pernambuco (UFRPE; Brazil), and

the Food and Agriculture Organization of the United Nations (FAO) to re-align the Project: *Mitigating Land Degradation in NE Brazil* for submission to external funding sources. Richard Heck a University of Guelph Professor, spent several weeks on the UFRPE campus in the exchange program with the objective of creating a collaboration network (FAO, IICA, UFRPE and the University of Guelph) to submit a proposal to donor communities and enhance the partnership between the University of Guelph and UFRPE. IICA Canada's support assisted the collaboration of the academic institution which resulted in a Memorandum of Understanding signed by the University of Guelph and UFRPE (Brazil) with a visit to Canada (including a courtesy visit to the IICA Office in Ottawa) of the Rector of the UFRPE and the Dean of the College of Agriculture to facilitate undergraduate and graduate exchange programs (October 2004).

5.3.3 An internship to study the current situation and future prospects of family farming in the Americas was sponsored by IICA Canada.

An internship program trip was sponsored by IICA Canada for a comparative study of family farming (small, medium rural producers or campesinos) in the Americas current situation and future prospects. Dr. John Brohman, Director of the Latin American Studies Program and Associate Professor of the Department of Geography at Simon Fraser University, in British Columbia, traveled to Mexico, Nicaragua and Brazil to arrange a research exchange with research teams in these countries. The objective was to develop a multinational team with scholars at universities and researchers from farmers' organizations in Canada to carry out this study.

5.4 HEMISPHERIC INTEGRATION

5.4.1 Hemispheric collaboration enhancement by facilitation and participation in the North American Biotechnology Initiative

During 2004, IICA promoted the enhancement of hemispheric collaboration in agriculture biotechnology by fully supporting the North American Biotechnology Initiative, NABI. This initiative of IICA's North American members, Canada, Mexico and the United States, promotes a better understanding of biotechnology and scientifically based policies.

In February 2004, IICA facilitated the First Meeting on Commercial Aspects for the Implementation of the Cartagena Protocol on Biosafety in Buenos Aires hosted by Argentina to discuss the article 18 of the Protocol between IICA member countries. This meeting was an initiative of the NABI member countries and Argentina and was attended by representatives of 21 countries.

This was followed by a presentation by the NABI countries to the Ministers of Agriculture of Argentina, Brazil, Chile, Paraguay and Uruguay at the Southern

Cone Agriculture Council of Ministers of Agriculture meeting in July, on the model NABI has developed to deal with these issues and facilitate trade.

In September IICA Canada participated, at the 4th NABI Plenary Meeting in Quebec City, Canada on behalf of the Director General with a presentation on IICA's organization, policies and activities. This was followed by a discussion on potential avenues of collaboration with NABI.

As a result of these activities IICA was invited as a permanent observer to NABI by the Directive Committee through a letter from Dr. Robert Carberry, Vice-President of CFIA, to IICA's Director General. In response, IICA headquarters has assigned Dr. Assefaw Towalde, a biotechnology specialist, as a permanent contact for NABI.

The Cartagena Protocol on Biosafety is a supplementary agreement to the Convention on Biological Diversity adopted on January, 2000, which seeks to protect biological diversity from the potential risks posed by living modified organisms resulting from modern biotechnology. It establishes an advance informed agreement (AIA) procedure for ensuring that countries are provided with the information necessary to make informed decisions before agreeing to the import of such organisms into their territory. The Protocol contains reference to a precautionary approach and reaffirms the precaution language in Principle 15 of the Rio Declaration on Environment and Development. The Protocol also establishes a Biosafety Clearing-House to facilitate the exchange of information on living modified organisms and to assist countries in the implementation of the Protocol. Article 18 titled "Handling, Transport, Packaging and Identification" states: "1. In order to avoid adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, each Party shall take necessary measures to require that living modified organisms that are subject to intentional transboundary movement within the scope of this Protocol are handled, packaged and transported under conditions of safety, taking into consideration relevant international rules and standards".

5.4.2 Integration in research and innovation was promoted by the facilitation and participation in the PROCINORTE umbrella and taskforces 2004 meetings and activities

PROCINORTE was initiated in 1998. It is a cooperative program in agricultural research and technology for the Northern Region (Canada, the United States and Mexico). The core objective of PROCINORTE is to join efforts to develop a regional mechanism for mutual cooperation in agricultural research and technology transfer. PROCINORTE supports the interests of the three countries within the framework of regional integration and compliments efforts in Latin America, the Caribbean and other countries of the world. In total, there are five regional collaborative mechanisms called PROCIs (Cooperative Programs on

Agricultural Research and Transfer of Technology) which have been established through joint efforts of IICA member countries.

There are currently four task forces under PROCINORTE: The Agricultural Library and Information Services Initiative (*est. 1998, formalized as a task force in 1990*), Genetic Resources- NORGEN (*est. 1999*), the Tropical and Sub-Tropical Fruits (*est. 2001*) and the Animal and Plant Health Research Task Force (*est. 2003*). In 2003, a core budget for PROCINORTE activities from IICA was approved and Dr. Gustavo Cruz was appointed to the Executive Secretariat in an agreement between IICA Mexico and el Instituto Nacional de Investigaciones Forestales, Agropecuarias y Pesqueras (INIFAP). Dr. Johanne Boisvert, Program Director, Research Planning and Coordination Research Branch, Agriculture and Agri-Food Canada, is the Canadian Executive Member of the PROCINORTE Board of Directors.

The Genetic Resources Task Force, NORGEN, under the leadership of Campbell G. Davidson from AAFC, defined 5 goals in 2004 dedicated to maintain communication, a NORGEN fact sheet in the web, the adoption of the GRIN in Mexico, a research project in dry beans, and support to the Global Crop Diversity Trust efforts. During 2004, the Tropical and Subtropical Fruits Task Force, led by Dr. Gilles Doyon from AAFC, whose main objective is the improvement of production, consumption and trade of tropical and subtropical fruits, had a tripartite mission visit to Mexico and held its third meeting where potential research projects were identified and an action plan was developed. The Agricultural Libraries and Information Services Task Force held its 8th meeting with important achievements in the support to the Mexican Agriculture Network. Ingrid Monasterios from the National Agriculture Library represents Canada in this Task Force. The Animal and Plant Health Research Task Force held its first meeting in 2004 where a list of potential research projects in animal diseases, pests and control methods was prepared and is being reviewed to define priorities.

The Sixth Annual Meeting of The Board of Directors of PROCINORTE was held on October 14, 2004, at the USDA Headquarters, Henry Wallace Building in Washington, D.C., with the objectives of: reviewing the PROCINORTE progress and achievements reports from the Task Forces; updating the Action Plan 2004-2005 and budget proposal; discussing priorities and financial support for research projects and reviewing the name and the structure of the Umbrella Task Force. The Canadian delegation was represented by Johanne Boisvert, Campbell Davidson, Gilles J. Doyon, Danielle Jacques, Maria Lo and Ingrid Monasterios.

5.4.3 Facilitation and participation in the Sixth Tri-National (Canada, Mexico and US) meeting

The sixth Tri-National Meeting of Northern Region was held in Washington D.C. on November 3, 2004 under the moderation of Dr. Robert Landmann, IICA's Acting Deputy Director General, Director for Strategic Partnerships and Representative to the United States. The objectives of the meeting were to promote greater interaction among Northern Region Members; review and select regional priorities; outline next steps to promote priorities; and action.

The Canadian delegation was represented by Paul Murphy, Executive Director of Multilateral Affairs of Agriculture and Agri-Food Canada, Maria Lo, Senior Multilateral Affairs Officer, Agriculture and Agri-Food Canada Markets and Trade Team; Tim Marta, Acting Director, Environment Bureau, Agriculture and Agri-Food Canada and Daniel Burgoyne, International Affairs Advisor, International Affairs Directorate, Canadian Food Inspection Agency

The agenda included IICA's Financial Situation; Overview of Northern Region Activities; Biosafety and Biotechnology, Agricultural Health and Food Safety Environmental Sustainability and Rural Development, PROCINORTE; and Northern Region Next Steps.

The three countries approved a list of priority actions for the Northern Region covering Agricultural Policy and Trade Negotiations(PCC in NAFTA, BP), Agricultural Health and Food Safety (SPS initiative and PVS), Science and Technology (NABI, PROCINORTE and FONTAGRO) and Sustainable Rural Development (SRD activities).

5.4.4 Facilitation and sponsorship of the Canadian mission to Washington to assess involvement in FONTAGRO.

A Canadian mission to Washington, to assess Canada's involvement in FONTAGRO, was completed in early June 2004. The mission included representation from CIDA, AAFC (International and Research), University and private sector.

The mission was a success in terms of enhancing awareness of FONTAGRO mechanism and activities. It was clear that full membership from Canada was not feasible, however, other mechanisms were discussed. CIDA funding under the current FONTAGRO mechanism was not applicable, however, CIDA representatives did indicate support to facilitate a partnership in incorporating Canada in approved research initiatives.

Follow-up is required to investigate current initiatives to identify opportunities to partner with Canada. Canada will be invited to the next FONTAGRO Board meeting. The channels for collaboration have been established via this initiative.

FONTAGRO is a consortium to promote strategic agricultural research of relevance for the Latin American and Caribbean Region, with direct participation of the countries of the region in priority setting and funding of research projects. Its purpose is to promote agricultural competitiveness while protecting natural resources and reducing poverty in the region through the generation of agricultural technologies with international public benefits, and by facilitating the exchange of scientific knowledge among research organizations within the region, as well as with other regions. It is funded by the contributions of member countries to an endowment fund with a target of US\$200 million, whose income finances regional and strategic research projects on a non-reimbursable basis.

Fontagro's stakeholders are the Countries and organizations (public as well as private) contributing to the Fund who are members of the Board of Directors. It has responsibilities for setting research priorities, and establishing policies and procedures for the approval of research proposals. A Secretariat provides the Board with technical, legal, financial, and administrative support. The Secretariat's headquarters is temporarily located at the Inter-American Development Bank in Washington, D.C.

Current members are Argentina, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela and the International Development Research Centre (IDRC).

5.5 ENVIRONMENTAL MANAGEMENT

5.5.1 Agri-Environmental Policies Project: Hosting and facilitation of meetings, negotiations and a project development workshop

In March, 2004, a Canadian mission lead by Tim Marta from the Environmental team of the Agri-Environmental Policy Bureau of Agriculture and Agri-Food Canada visited IICA Headquarters, in San Jose, Costa Rica. The objective was to identify partnership opportunities and seek IICA's support in capacity building for agri-environmental policies in Latin American countries utilizing the Canadian experience from the development of the Agricultural Policy Framework (APF) as a model (as well as other successful models). The feasibility phase of the project was funded by the Strategic Policy Fund for Agriculture of CIDA.

The mission was hosted by IICA, providing technical expertise, external meetings with NGO's, private and public sectors, to provide the foundation for the project development workshop, identify roles and responsibilities and develop an action plan for future submissions to funding institutions (CIDA). The program agenda for the mission included presentations on: Institutional experience with agri-environmental capacity building on policy, programs and project designs which integrate productivity and environmental issues, Central American Council of Ministers of Agriculture, Regional Inter-sectorial Council, Inter-Agency regional mechanism for technical cooperation, meetings with National Rural Development

Program officials at the Ministry of Agriculture of Costa Rica, project and program specific experiences (socially and environmentally sustainable banana production practices), meetings with Costa Rican Subterranean Water, Irrigation and Drainage Service (SENARA), approach from the Central American Forestry Farmers Association, National Organization of Small Agricultural Producers of Costa Rica, and a gender inclusive approach to environmental sustainability.

This project was approved by CIDA on November of 2004 and its implementation is to be initiated during 2005.

The project's primary objective is to establish better understanding of the state of policies relative to environmentally sustainable agriculture in Central and South American countries and to develop and test a procedure to assist capacity building for agri-environmental policies in these countries.

Its goals are to develop an inventory of agri-environmental policies in Central and South American countries; analyze agri-environmental policies in Central and South American countries; establish better understanding of the agri-environmental policies in Central and South American countries; develop and test a procedure to assist capacity building for agri-environmental policies in Central and South American countries; contribute to policy related research in support of the priority elements of the new Agriculture Policy Framework of Canada; and support strategic policy related initiatives that will provide guidance on agricultural programming approaches

The expected outcomes are to have accurate information and improved understanding of agri-environmental policies in the Central and South American countries and a well designed, realistic procedure for providing capacity building assistance for agri-environmental policies in Central and South American countries. These should, therefore, enhance agri-environmental policies in these countries and the progress toward sustainability in agriculture.

As a result of the approval of the project AAFC and IICA will be signing a partnership agreement to initiate its implementation through an inventory and analysis of agri-environmental policies in 6 selected Latin American countries. This work will be conducted by the Sustainable Rural Development Directorship in IICA Headquarters in 3 Central American countries with the support of IICA Canada funds, and in 3 countries in South America with the project funds during the first part of 2005.

The IICA SRD Director and IICA Canada Representative have been invited to be part of the project Steering Committee with AAFC, CIDA and other members as part of the General Management Structure for the project.

This project is in perfect alignment with AAFC and CIDA's objectives and sustainable agricultural development goals, as well as IICA's mission and

objectives of developing an agricultural sector that is environmentally managed as well as the objectives of the Agro 2003-2015 Plan of Action for the Agriculture and Rural Life of the Americas of the Summit of the Americas.

5.5.2 Collaboration between Canada and Chile, Honduras and Mexico was enhanced by sponsoring 3 internships in environmental management

Agriculture and Agro-Forestry Strategies UL- CIAL

The project "Development of GIS using Agriculture and Agro-forestry Strategies in the Region of Marchigue, Chile was carried out by Jérôme Goulet-Fortin a Master of Science candidate in Agro forestry at the University of Laval. The project objective was to develop the use of GIS in agriculture and investigate agro forestry in the region. The region of Marchigue is semi-arid, with a limited water supply. The short-term objectives included the development of a mapping system that integrates a series of biophysical and human criterion to assist in the decision making process for the distribution of agricultural activities. Mr. Goulet-Fortin's project was carried out in collaboration with Corporación de Investigación en Agricultura Alternativa (CIAL).

Integrating Conservation and Development YU/ UNAH

Alison Beach a Master of Science Candidate at York University, in collaboration with the Universidad Nacional Autónoma de Honduras, developed the project: *Conservation of Biodiversity in Developing Countries: Integrating Conservation and Development*. The objective of the project was to provide a clearer understanding of the human consequences of conservation and small-scale development inside a UNESCO Man and Biosphere Reserve.

C, N and P in soils and SRA GAPS/AAFC- UMSNH

The Canada-France-Mexico collaborative project was financed by the GAPS program (AAFC) in partnership with the Universidad Michoacana de San Nicolas de Hidalgo with André Freire Cruz a post Doctoral fellow at the Agriculture and Agri-Food Canada Research center in Swift Current, Saskatchewan, who is now a member of the Faculty at the University of Japan. The Project Title: Studies on Cycling of Carbon, Nitrogen and Phosphorus in Soils and their Effects on Sustainable Agriculture. During Dr. Cruz's internship in Mexico, he attended several courses as part of a larger research program in the area of environmental protection, within the framework of present and future collaborations between Canadian and Mexican research institutes and to promote Canadian excellence internationally.

5.5.3 Global Environmental Change and Food Systems projects promotion, facilitation and sponsorship

IICA- Carleton University research internship in Belize

Food System Vulnerability to Multiple Environmental and Socio- economic Stressors: The Role of Agri-food and Environmental Policy in Belize. This internship was part of a PhD research focused on evaluating the extent which existing environmental and agri-food policies are able to cope with the multiple stressors that drive insecurity and assess policy options to address future food security in light of global environmental change and economic globalization. The researcher was Jean Charles LeVallee a PhD student at Carleton University, with the Caribbean Community Climate Change Center as the partner institution in Belize. As a result of the recommendations made in the final report, the Commission met in February 2005 to develop the country's National Plan of Action and the Strategic Plan for the Commission itself.

IICA – GECAFS meeting in Costa Rica

Global Environmental Change and Food Systems (GECAFS) is a comprehensive programme of research focused on understanding the links between food security and global environmental change. It aims to deliver improved understanding of the relationship between food systems and the Earth System, and science-based tools designed both to help reduce vulnerability to global environmental change and to analyze the socioeconomic and environmental consequences of potential management and policy adaptation options. On December 14th, a meeting was held between the GECAFS Vice-Chair from Carleton University in Ottawa, Mike Brklacich; Ranhit Singh, Chair of Agricultural Economics, University of West Indies, Trinidad; IICA SRD Directorate authorities Sergio Sepulveda and Adrian Rodriguez, and Arlington Chesney, Caribbean Area Operations Director, in order to identify and discuss IICA – GECAFS collaborations in the Caribbean and in the Americas. Nine points were agreed upon identifying common agendas, each parties expertise, possible joint ventures and projects, contact points, other potential participants, a joint workshop and initiatives to enhance Canadian – Caribbean cooperation.

5.6 OTHER ACTIVITIES

5.6.1 IICA's networking capacity was enhanced with the Canadian Faculties of Agriculture and Veterinary Medicine Association and Universities

Participation at the Deans of CFAVM meeting

A presentation of IICA's activities was made by François Degenais, Director of DECAP, at the CFAVM meeting in October in Charlottetown, Prince Edward Island, followed by discussions on partnership opportunities and the signing of a collaboration agreement. The Board of Directors will discuss these issues in their next meeting in March 2005.

Meeting with McGill University

A meeting was held with McGill University concerning the exchange program IICA has with them and to discuss the possibility to use a distance learning course in milk production. It was agreed to test the English version of the course in the Caribbean.

IICA has been working with McGill University for many years; in 1998 the two institutions collaborated on the development of a web-based course on farm Management and have continued collaboration under the terms of a formal Memorandum of Understanding since 1999. McGill University-Outreach and Marketing invited IICA Canada to provide information on strategic lines of action, core activities, and internship opportunities and discuss the development of the emerging professional program.

Meeting at the University of Saskatchewan

In March, members of the International Community invited IICA Canada to provide information on opportunities for collaboration, development of emerging professional programs, strategic lines of action and core activities. The visit to the University of Saskatchewan included collaborative opportunities with the development of a level 3 Laboratory: International Vaccine Development Center, the Veterinary Colleague, Canada's first Synchrotron and Innovation Place.

Meeting at the University of Guelph

The University of Guelph – International Committee invited IICA Canada to provide information on strategic lines of action, core activities and the development of the emerging professional program in an effort to identify areas of potential collaboration, enhance communication and networking capacity. IICA Canada worked with members of the University to enhance project proposal for mitigation of land degradation in NE Brazil for submission to funding institutions as a collaborative initiative with FAO, IICA Brasilia and UFRPE.

5.6.2 Capacity building in information management and library science internship

IICA Canada sponsored an internship exchange of Olive Sawyer-Watt, a Jamaican agriculture documentation and information professional of the Jamaica Agricultural Documentation and Information Network (JADIN). Her project objective was to Promote Capacity Building and Knowledge Transfer in the Field of Information Management and Library Science as it relates to Agriculture. Olive- Sawyer-Watt was the first Jamaican to participate in an internship program in the field of Library and Information Science. The primary Canadian host was the Canadian Agriculture Library (CAL), however, additional hosts included the Forestry Library, the Canadian Book Exchange Program, the Eastern Cereal and Oilseed Research Center (ECORC) and Canadian Institute for Scientific and Technical Information (CISTI).

6. INTERAGENCY COOPERATION



Ottawa, Ontario the Nation's Capital

6. Inter-Agency Cooperation (activities carried out in cooperation with other international and regional organizations)

6.1 Joint IICA – PAHO Hemispheric Conference/ Workshop on BSE in the Americas

This conference was a collaborative initiative hosted by the Inter-American Institute for Cooperation on Agriculture (IICA) and the Pan American Health Organization (PAHO) to enhance awareness of the need for a proactive approach and capacity building in response to the BSE crisis.

The conference was held on March 04, 2004 at the Crowne Plaza Hotel in Houston, Texas, immediately following the Hemispheric Conference on Eradication of Foot and Mouth Disease in the Americas. The conference was chaired by Dr. Chelston Brathwaite, Director General of IICA, and Dr. Mirta Rosas Periago, Director of PAHO, with approximately 150 participants including 17 Ministers of Agriculture and Health from Latin American countries. Canada was represented by Judith Bossé, Vice President of Science, Canadian Food Inspection Agency, Dr. Paul Kitching, Director of the National Center of Foreign Animal Disease, Canadian Food Inspection Agency, and Dr. James Clark, Animal Health, Canadian Food Inspection Agency.

The conference provided participants with an overview of the international standards for BSE, past, present and future of BSE and vCJD summarizing the reduced impact of BSE on public health, in contrast to the significant economic and trade issues. Representatives of Canada and United States provided summaries of their respective BSE investigations and emphasized the investment in an agricultural health and food safety system to provide the resources and infrastructure which enables countries to respond to emerging agricultural health and food safety issues while maintaining consumer confidence, current initiatives in the Americas and the importance of agricultural health and food safety system modernization in the prevention and response to agriculture and public health related issues.

6.2 Joint IICA – NAPPO ISPM 15 Seminars/ Workshops in Mexico with SAGARPA and OIRSA and in Argentina with COSAVE and SENASA

IICA Canada jointly sponsored with the North American Plant Protection Organization two workshops on the International Standards for Phytosanitary Measures Guidelines For Regulating Wood Packaging Material In International Trade, ISPM # 15, in Mexico and Argentina. The workshop in Mexico included the Central American countries and took place in October 18-22, 2004, in Mexico City. In Argentina it took place from November 17-19, 2004, in Buenos Aires and included the South American and Caribbean countries.

The workshop in Mexico reported over 200 participants and the one in Argentina was attended by 170. Governments were represented by National Plant Protection Organizations (NPPO) staff, and the industry of wood processors and exporters. The workshops were aimed at increasing awareness and enhancing capacity building with expert speakers from Canada, the United States and host countries (Mexico and Argentina). The conferences covered various requirements and procedures for the implementation of the ISPM 15 such as wood treatment, accreditation and the scientific grounds for the international standard. Field visits to companies which treat wood packaging were also included during both workshops to facilitate and enhance understanding of processes and procedures.

Solid wood packaging has been identified as one of the most important pathways for pest introduction into countries and regions, the ISPM 15 was approved by IPPC countries to harmonize treatment procedures in order to mitigate the pest risks associated with international movement of all shipments that involve wood packing.

IICA's partnership with NAPPO and other regional organizations such as OIRSA in Central America and Mexico and COSAVE in the Southern Cone in these two successful events consolidated its role as an active participant and facilitator of phytosanitary events of relevance in global trade.

6.3 Joint IICA – GECAFS (Global Environmental Change and Food Systems) project collaboration meeting and internship exchange to Belize

Global Environmental Change and Food Systems (GECAFS) is a comprehensive programme of research focused on understanding the links between food security and global environmental change. It aims to deliver improved understanding of the relationship between food systems and the Earth System, and science-based tools designed both to help reduce vulnerability to global environmental change and to analyze the social-economic and environmental consequences of potential management and policy adaptation options. On the December 14th, a meeting was held between the GECAFS Vice-Chair from Carleton University in Ottawa, Mike Brklacich; Ranhit Singh, Chair of Agricultural Economics, University of West Indies, Trinidad; IICA SRD Directorate authorities Sergio Sepulveda and Adrian Rodriguez, and Arlington Chesney, Caribbean Area Operations Director, in order to identify and discuss IICA – GECAFS collaborations in the Caribbean and in the Americas. Nine points were agreed upon identifying common agendas, each parties expertise, possible joint ventures and projects, contact points, other potential participants, a joint workshop and initiatives to enhance Canadian – Caribbean cooperation.

An IICA- Carleton University research internship was carried out in Belize titled The Role of Agri-food and Environmental Policy in Belize Food System

Vulnerability to Multiple Environmental and Socio- economic Stressors. This internship was part of a PhD research focused on evaluating the extent of which existing environmental and agri-food policies are able to cope with the multiple stressors that drive insecurity and assess policy options to address future food security in light of global environmental change and economic globalization. The researcher was Jean Charles LeVallee, a PhD student at Carleton University, with the Caribbean Community Climate Change Center as the partner institution in Belize. As a result of the recommendations made in the final report, the Commission met in February, 2005, to develop the country's National Plan of Action and the Strategic Plan for the Commission itself.

6.5 IICA – NABI – SAGyP (Argentina) Meeting on Commercial Aspects for the Implementation of the Cartagena Protocol on Biosafety in Buenos Aires

During 2004 IICA promoted the enhancement of hemispheric collaboration in agricultural biotechnology by fully supporting the North American Biotechnology Initiative, NABI and the Secretariat of Agriculture, Livestock and Fisheries of Argentina. This initiative of IICA's North American members, Canada, Mexico and the United States, promotes a better understanding of biotechnology and scientifically based policies.

In February, 2004, IICA facilitated the First Meeting on Commercial Aspects for the Implementation of the Cartagena Protocol on Biosafety in Buenos Aires hosted by Argentina to discuss the article 18 of the Protocol between IICA member countries. This meeting was an initiative of the NABI member countries and Argentina and was attended by representatives of 21 countries.

This was followed by a presentation by the NABI countries to the Ministers of Agriculture of Argentina, Brazil, Chile, Paraguay and Uruguay at the Southern Cone Agriculture Council of Ministers of Agriculture meeting the last days of July on the model NABI has developed to deal with these issues and facilitate trade.

In September, IICA Canada participated on behalf of the Director General, at the 4th NABI Plenary Meeting in Quebec City, Canada with a presentation on IICA's organization, policies and activities. This was followed by a discussion on potential avenues of collaboration with NABI.

As a result of these activities IICA was invited as a permanent observer to NABI by the Directive Committee through a letter from Dr. Robert Carberry, Vice-President of CFIA, to IICA's Director General. In response, IICA headquarters has assigned Dr. Assefaw Towalde, a biotechnology specialist, as a permanent contact for NABI.

The Cartagena Protocol on Biosafety is a supplementary agreement to the Convention on Biological Diversity adopted on January, 2000, which seeks to protect biological diversity from the potential risks posed by living modified

organisms resulting from modern biotechnology. It establishes an advance informed agreement (AIA) procedure for ensuring that countries are provided with the information necessary to make informed decisions before agreeing to the import of such organisms into their territory. The Protocol contains reference to a precautionary approach and reaffirms the precaution language in Principle 15 of the Rio Declaration on Environment and Development. The Protocol also establishes a Biosafety Clearing-House to facilitate the exchange of information on living modified organisms and to assist countries in the implementation of the Protocol. Article 18 titled “Handling, Transport, Packaging and Identification” states: “1. In order to avoid adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, each Party shall take necessary measures to require that living modified organisms that are subject to intentional transboundary movement within the scope of this Protocol are handled, packaged and transported under conditions of safety, taking into consideration relevant international rules and standards”.

7. FUTURE OPPORTUNITIES FOR COOPERATION



Federal Laboratories, Winnipeg, Manitoba

7. FUTURE OPPORTUNITIES FOR COOPERATION

7.1 Agriculture Health and Food Safety

Canada through CFIA, academic institutions and professional organizations has leadership and expertise in Agricultural Health and Food Safety issues relevant to global trade such as SPS Committee recommendations, approved international standards (OIE, IPPC and CODEX), Foreign Animal Diseases and emerging issues (BSE, Foot and Mouth Disease, Avian Influenza, ISPM 15). Therefore, IICA Canada will focus its expertise and internship exchange programs, event sponsorship, project proposals, publications and other cooperation instruments to enhance Canadian participation in AHFS awareness and capacity building events, projects, and other activities with Latin American and Caribbean countries

7.2 Agribusiness Development

Canada, through AAFC, academic and private institutions and professional organizations (FITT, EDC, CCAA, AIC) has leadership and expertise in Agribusiness Development issues relevant to global trade such as international trade training modules, diagnostic tools and market information. Therefore, IICA Canada will focus its expertise and internship exchange programs, event sponsorship, project proposals, publications and other cooperation instruments to enhance Canadian participation in Agribusiness Development capacity building events, projects and other activities with Latin American and Caribbean countries

7.3 Biotechnology and Innovation

Canada through AAFC, academic institutions, private and professional organizations has leadership and expertise in biotechnology, technology transfer and other innovation issues (NABI Work Groups, PROCINORTE NORGENE, Tropical Fruits and Ag Libraries Task Forces) relevant to global trade and sustainable agriculture such as the Biosafety Protocol and Gene banks. Therefore, IICA Canada will focus its expertise and internship exchange programs, event sponsorship, project proposals, publications and other cooperation instruments to enhance Canadian participation in biotechnology, technology transfer and innovation awareness and capacity building events, projects and other activities with Latin American and Caribbean countries

7.4 Sustainable Rural Development and Agri-Environment

Canada, through AAFC, academic and private institutions and professional organizations (Environment Canada, GECAFS, NFU) has leadership and expertise in Sustainable Rural Development issues relevant to sustainable agriculture and global trade such as agri-environmental policies project, organic farming and the National Rural Conference. Therefore, IICA Canada will focus its expertise and internship exchange programs, event sponsorship, project proposals, publications and other cooperation instruments to enhance Canadian participation in sustainable rural development capacity building events, projects and other activities with Latin American and Caribbean countries

Enhanced partnership IICA - AAFC - CIDA

CIDA, the Canadian International Development Agency, has set itself on a path toward revitalizing its support for the agricultural sector through its policy *Promoting Sustainable Rural Development Through Agriculture: Canada Making a Difference in the World*. Its plans are to increase investments in the sector from its current level of approximately \$95 million to \$300 million by 2005-2006, aiming to reach \$500 million two years later.

It considers that rural development more than growing food as agriculture is the largest segment of the private sector in most developing countries and the main user of natural resources such as water, land, and biodiversity, and therefore, is intimately linked with environmental sustainability and offers the best prospects for poor people to escape poverty.

CIDA has established five broad thematic areas for its agricultural programming:

- Building national capacity in complex agricultural issues related to international trade policy, the environment, and biotechnology by strengthening human resources and institutions in developing-countries.
- Strengthening capacity of research institutions to develop and transfer appropriate knowledge, help crops and livestock adapt to environmental stresses, and increase the food and feed value of staple crops as these are critical to meet the food needs of growing populations and may also help address long-standing issues such as land degradation, and pests and disease control, as well as new challenges such as climate change and water scarcity.
- Enhancement of food security, productivity and income by promoting strategies to increase agricultural production such as integrating crop and livestock production and agro-forestry and improving access, management, and administration of land, reduce post-harvest losses to augment food supply and income, and improve food use and safety through research and education.
- Promotion of sustainable natural resource management by helping reverse land degradation, promote integrated natural resource management, and improve the efficiency of water use in agriculture.
- Development of well functioning markets by supporting agro-based processing and rural entrepreneurship, strengthen local market organizations, promote rural agricultural education and services through cooperatives, and help farmers in developing countries access international markets as developing countries need to overcome many obstacles for a greater chance to participate in such trade.

Canada, through CIDA, has leadership and expertise in technical cooperation issues such as governance, poverty mitigation, Agricultural Health and Food Safety issues relevant to global trade such as SPS Committee recommendations, approved international standards (OIE, IPPC and CODEX), Foreign Animal Diseases and emerging issues (BSE, Foot and Mouth Disease, Avian Influenza, ISPM 15). Therefore, IICA Canada will focus its expertise and internship exchange programs, event sponsorship, project proposals, publications and other cooperation instruments to enhance Canadian participation in AHFS awareness and capacity building events, projects and other activities with Latin American and Caribbean countries.

This new policy on agriculture in sustainable rural development is very much in line with IICA's Lines of Action as it reaffirms principles such as local ownership and good governance and stresses the need to produce results: families that can feed themselves, opportunities for the poor to climb out of poverty, and a balance between environmental, social, and economic goals.

A partnership between IICA – AAFC – CIDA would greatly enhance Canadian leadership, expertise and commitment in technical cooperation in Latin America and Caribbean countries.