CANADA

Since the early 1990s, Canadian agricultural policy has shifted from subsidizing commodity competitiveness to a more market driven approach. The government of Canada uses the Canadian Agricultural Income Stabilization (CAIS) program to offer income support and disaster assistance to producers. CAIS is a whole farm program available to eligible farmers regardless of the commodities they produce. Under this program, producers choose an annual level of protection that guarantees between 70% and 92% of their average historical production margin (the production margin is the difference between allowable income and allowable expenses as defined in the CAIS program). Producers are required to make contributions to their CAIS accounts that correspond to the level of production margin they wish to insure.

The government of Canada requires a minimum of 5% average renewable fuel content in all transport fuel in Canada by 2010. The Ethanol Expansion Program (EEP) provides capital assistance for plant construction and upgrades. A federal excise tax exemption allows for support for research and development and consumer awareness activities. The biofuel mandate is expected to significantly increase demand in Canada for corn and wheat as sources of biomass for ethanol production and demand for soybeans for biodiesel.

In January 2009, Canada's government presented to Parliament its 2009 federal budget which includes a C$40 billion ($32 billion) Economic Action Plan in response to the global recession. The focus of the fiscal stimulus is toward injecting money to build infrastructure and stimulate housing, providing tax cuts to stimulate consumer spending, and implementing measures to ensure the stability of Canada's financial system. The 2009 budget proposed C$550 million ($440 million) in agricultural program spending; C$500 million ($400 million) to support a new, five-year agricultural flexibility program and C$50 million ($40 million) to strengthen slaughter capacity and slaughter plant efficiencies.

CORN

- The WTO bound import tariff on corn is 0.5%.

RICE

- The WTO bound import tariff on milled rice is 0.7%.

SOYBEANS

- Canadian soybean exporters receive market premiums for offering non-GMO, identity-preserved soybeans to E.U. and Japanese markets.

- Expanding use of soybeans for biodiesel production will likely increase Canadian soybean production and soybean imports from the U.S.

SUGAR

- The WTO bound import tariff on raw sugar is 5.2 % and on refined sugar is 5.4%.

WHEAT

- The Canadian Wheat Board (CWB) acts as a single desk seller of wheat.
- Canada has a TRQ on wheat imports with an in-quota rate of 0.7% (quota amount of 226,883 MT or about 8 million bu) and an out-of-quota rate of 62.8%. Under the tariff elimination provisions of the North American Free Trade Agreement (NAFTA), most U.S. agricultural products enter Canada duty free.