

Canaryseed 2012

Mexican Phyto Requirements

More pure than pure gold?

History

- Feb 2009-Mexico asks Canada to eliminate noxious weeds in shipments of Canaryseed. Primary concern is Wild Buckwheat, Cow Cockle, and Stinkweed. Buckwheat biggest concern in our cleaning process.
- March/April 2009-Canada adds “will be cleaned to eliminate weed seeds” to phyto. Context of the word “eliminate”. Trade continues to ship same. Farmer dressed/dirty product is effectively not allowed at this point.
- June 26, 2010-Mexico asks Canada to halt trade (stop issuing phytos) due to levels of noxious weed seeds
- Aug 15-Oct 15-Canada allowed to resume shipping with re-cleaning to zero in Mexico. No rules on levels shipped from Canada, could be as high as 500 weeds/KG.
- Sept 2010-CSCA working group travels in Mexico. Very apparent that they would not be able to issue a tolerance. But trade felt we needed to hold our ground. Tight tolerance adds significant shipper risk.
- Mid Oct 2010-CSCA working group travels to Kelowna to meet with Javier Trujio of Seneseca. We left with the feeling we would get an “unpublished allowable spec”. This never occurred. No trade until New Year.
- Trade halted until Jan 2011

- Jan 2011-Seneseca allows trade to resume. Max allowed level of weed seeds started at 100 seeds per KG of Canaryseed. Remember, this is 100 weeds seeds per 150,000 canary seeds.
- Late Feb 2012-CFIA agrees to drop max level allowed to 50 weed seeds. Still fairly significant volumes of canary moving under these levels.
- March 2011-travelled to Mexico. Seen re-cleaning process and Seneseca evaluation of product. If one seed found product cleaned again.
- Trade allowed to move product until Aug 15th then level dropped to 15 weed seeds per KG of Canaryseed.
- Current rules are 15 noxious weeds per KG. Product is tested at border and must be re-cleaned upon arrival at destination. Cleavers was added Sept/Oct 2012 as an additional noxious weed seed.
- Re-cleaning is being done and weed seeds are being burned or ground at the cleaning facility. Vigorous on site inspections of the cleaning and disposal process are being completed by Senseca.
- Our company has moved approx 2500 MT of Canaryseed into Mexico under the 15 weed seed rule. Trade has resumed somewhat. Must pick and choose product, double clean monitor, monitor, monitor. If a car loads too high on weed seeds it must be unloaded or moved to another buyer in another country.

What are we headed?

- Key mistakes-I believe the word “eliminate” caused a lot of hard feelings within Mexican regulatory bodies.
- There are a number of people that generally believe that we will see a relaxation of the rules once Mexico runs out of inventory. I do not believe that.
- This issue was brought forward because their laws state that these are noxious weeds and can not enter the country. Canada also has these rules regarding product entering our country and we have to respect this. The real question is how much risk is this putting on Mexican environment in light of massive canola and wheat imports that are not cleaned and obviously contain Wild buckwheat.
- Because this is a Mexican law, we will likely not see a relaxation in the rules. Dr. Javier Trujio stated that he would go to jail if he allowed the law to be broken. They allowed us to ship at higher levels so we would “learn” how to ship at lower levels. And they kept ratcheting down the max weed allowance. Seneseca’s goal was to find a solution and put the issue to bed and get onto other regulatory issues.

Market Affect

- Canada shipped record volumes of canaryseed into Mexico under the 100 and 50 weed seed rules, approx 60000 MT in 10/11 crop year ending July 31st. This is about 50% more than normal. Would mean 6 months of excess supply in store from July 31st.
- Currently demand for product into Mexico is very limited as price of Canaryseed has dropped in Canada and value of Peso has also dropped vs. USD. Makes buyers wary of stepping up to the plate.
- Aug-Oct Mexico purchases only down 2400 MT vs last year. Globally we are down 10000 MT in the same period. This is the greater reason for price sloppyness in Canaryseed market versus Mexican shipment issues. Currency shocks, stock market drops and general buyer unease has added to lack of demand.

Now what?

- Current rules are 15 weed seeds per Kg. Some facilities are moving some product in under these rules. We are shipping 2-3 cars per week.
- Growers can play a key role in this issue. Consider using Enforcer from NuFarm in 2012. Basically combines the strength of Trophy and Buctril M. Watch field edges, sloughs, etc. Take good harvest samples. Industry can manage to maintain market if we manage the weed levels across the industry. Movement from Buctril M, as the product of choice for canaryseed industry, to Trophy/Target may have increased the amount of Wild buckwheat present in our product.
- Hope that Seneseca does not reduce the level from 15 to 10 or 5 or 0. This would pretty much stop trade for good. I think we need CFIA to ask Mexico to ensure they will allow long term trade at this 15 level. I feel I have been on enough conference calls and trips to state that it is a waste of time to push for a standard that is easier than 15.

More pure than pure gold?

- 15 weed seeds per 150000 canary seeds is 99.99 percent pure.
- Pure gold by definition must be 99.95 percent pure
- Canaryseed for shipment into Mexico must be more pure than pure gold!!!!!!!