

*Government Orders**[Translation]*

This bill, which groups agriculture and agri-food together under one roof, highlights how important it is nowadays for sectors, provinces and even continents to consult one another.

We are all interconnected and interdependent. We must be aware of the possible impact of our aspirations and actions on the other links in the complex chain of stakeholders in the agricultural and agri-food sector. We need one another and we must adopt a concrete and firm team-work approach to solve our internal problems and compete against the rest of the world.

The GATT and NAFTA agreements have resulted in freer trade and easier access to world markets. Every government on the planet is helping its exporters to make inroads abroad. We too must follow suit. During our first year in power, we have taken steps towards this end.

Soon we will create a Canadian agri-food products marketing board which will be made up of people from the industry representing every sector of the agri-food business. This board will act as a forum to improve co-operation among industry players and to help them to be more competitive.

● (1610)

The Department of Agriculture and Agri-Food, in co-operation with the departments of Foreign Affairs and International Trade, will create an international agri-food marketing branch. Through this single window, the industry will have access to federal foreign market development programs. We have already put in place a network of agri-food trade specialists in key locations like Seoul, Singapore, T'aipei, Mexico and Dusseldorf, and this network is growing.

We are getting ready to take advantage of increasingly sophisticated national and international information highways. Our offices world-wide will be linked to the Info-Agro-Export network. This is an interactive, automated system providing personalized information on world markets. Canadian food industries invest a relatively small percentage of their sales in research and development, as compared to their US counterparts. They could do better in this area.

A few months ago, the research branch undertook a pilot-project called Agri-Food Research and Development Cofinancing Project. In this project, the department and the industry will work together to carry out research and development, each contributing half the funds. Since the industry will be setting its own priorities, the relevancy of the research and development activities will be guaranteed. In addition, technology transfer will be facilitated because, with the industry sharing in the financing of the research activities, its support will be guaranteed in advance. We hope that this project, to which a budget of \$2 million was allocated this year, will be a first step towards a substantial increase in agri-food research in Canada.

[English]

This is only the beginning. The challenges we face are formidable. As I said earlier, in 1993 Canadian agri-food exports of \$13.3 billion contributed a surplus of almost \$3 billion to Canada's balance of trade, almost a full one-third of Canada's total merchandise trade balance.

However, it is worth noting that while there is a positive balance for primary products, there is a negative balance for processed products.

Strong export growth has been registered in early 1994 with projections for the year moving beyond the \$14 billion mark. Canada's overall share of the world agri-food market has declined since the early sixties. Our growth in agri-food exports is lagging behind the rest of the world. It will be a major push to meet the \$20 billion export target by the year 2000 set last year by federal and provincial agriculture ministers.

We are on track toward that target in 1994 with exports projected to reach \$14 billion. What can we do in co-operation with industry to keep on track?

These are some of the issues we need to address: From 1992 to 1993 our agri-food export surplus declined. In fact, countries which used to buy Canadian commodities and products are now net exporters. We have higher processing costs and less private sector research than some of our competitors. Government income support payments exceed net farm income and are much higher than our investments in marketing or market development.

● (1615)

There is little growth in our exports of these higher value products to countries other than the U.S., in particular, to Asian markets where demand is growing rapidly. We must therefore continue to address international access issues without forgetting there are unnecessary trade barriers here at home.

Of course food safety has been and must continue to be a priority in and for Canada. Our reputation for safety and quality is vital to our domestic consumers and it is a critical advantage in the international marketplace. At the same time we need to ensure that it is an efficient system.

[Translation]

The minister fully intends to continue playing an active role in promoting Canadian agri-food products abroad. Next month, the Prime Minister will head a trade mission to Asia, a region that the Governor General and the minister visited last spring. Next week, he will go to the international food fair in Paris, where he will participate in the presentation of international prizes to five Canadian companies that showed excellence in creating or marketing innovative food products. The Paris fair is the largest trade fair for food products in the world.