Market Opportunities

Slaughter Cattle

Slaughter cattle exports from Western Canada, primarily Alberta, could be increased to the U.S. Pacific Northwest. Canada exported some 83,000 head to the Pacific Northwest in 1985 for a value of $57 million. Washington and Oregon have some processing facilities and excess demand, but lack sufficient supplies of grain-finished cattle for slaughter. The concentration of slaughter and processing in the U.S. Midwest may also offer an additional opportunity.

The Agreement will enhance access to this market through the reduction of technical barriers, reciprocal inspection systems and through elimination of the 1¢/lb tariff.

Producers in the Prairie Provinces have the capacity to supply this market easily, as transportation is not considered a constraint. There are no significant impediments to competitiveness, as Western Canada is a very efficient producer of cattle. Western provinces are generally in favour of exporting live cattle to the United States; however, Canadian packing houses have some concern because of excess slaughter and processing capacity, particularly in Alberta. As the cattle sector is currently in a herd-rebuilding phase, exploitation of this opportunity is considered a medium-term prospect.

High Quality Lean Beef Cuts

The export of high quality, lean beef cuts to the west coast U.S. market (Washington, Oregon and California) as well as to the Eastern United States can be increased. Both markets have a deficit in high quality beef. This market opportunity will expand processing in Canada in the form of boxed beef for export to the United States.

The Agreement will enhance access through reductions of technical barriers, such as reciprocal inspection systems and the reduction of tariffs — especially the four and 10 per cent tariffs on high quality table cuts prepared for the retail and the hotel, restaurant and institutional (HRI) trade. Access will be enhanced by exemption from the U.S. Meat Import Law and the dispute settlement mechanism will make the industry less vulnerable to countervailing duties.

In 1985, Western Canada exported 20 000 tonnes of beef to the U.S. west coast for a value of $63.4 million. With the removal of tariffs, all Canadian meat packers should be competitive in the U.S. west coast market.

On balance, the United States produces less beef and veal than it consumes, making it a net importer. Since the United States is currently the second largest consumer and the largest importer of beef and veal in the world, the market potential is significant.