

CANADA'S TRADE IN AGRICULTURAL PRODUCTS

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There is, however, another point about the United States market--and other markets where imports are permitted without quotas and similar restrictions. This is that a quality product will command a premium. Canada's export trade in pork products is a case in point. Although the U.S. price for hogs has been below the Canadian, Canada has recently enjoyed a considerable market in the United States for pork cuts and bacon and hams because they are quality products which command a higher price. In 1956, the United States took 31.5 million lb. of pork valued at \$12.5 million and 10.6 million lb. of bacon and hams valued at \$8.3 million.

A characteristic of the U.S. market for Canadian agricultural products is that it is difficult to show any trend, as the cattle and beef situation reveals. The grains (including grain products and byproducts) with an export value in 1956 of \$89 million are at present the major agricultural export group, followed by live animals and meats (\$42 million) and furs and miscellaneous animal products (\$31 million). The individual commodities making a major contribution to the export total are wheat (mainly feed wheat), barley, fresh pork, bacon and hams, mink skins and forage crop seeds.

In this trade a large number of items appear for which the United States provides the principal, or perhaps the only, export market. Exports of many of these reach several million dollars in value each year and are of considerable importance to local areas. Some examples, with the 1956 value of exports shown in brackets, are fresh apples (\$4.0 million), fresh and frozen blueberries (\$2.2 million), potatoes (\$5.7 million), turnips (\$2.1 million) and maple products (\$5.5 million).

EXPORTS TO THIRD COUNTRIES GROWING

The postwar development of Canada's export trade in agricultural products has also been marked by the expansion of trade with countries other than the U.S. and the U.K. Figuring largely in this move towards diversification of Canadian markets abroad are Japan, the Federal Republic of Germany, the Netherlands, Belgium and Venezuela. These countries are markets for a wide range of Canadian agricultural products, the most important of which is wheat. In 1956 Japan bought wheat valued

at \$56.7 million, barley \$10.8 million, and flaxseed \$6.3 million. Most important in the considerable range of agricultural products shipped to West Germany were wheat \$74.1 million, barley \$5.0 million, and rye \$4.7 million. Major agricultural exports to the Netherlands included wheat \$21.1 million, flaxseed \$5.2 million and soyabean oil \$2.9 million. Wheat (\$29.1 million) and flaxseed (\$4.4 million) were the biggest agricultural exports to Belgium. Canada's agricultural export trade with Venezuela follows a different pattern; the two largest items are wheat flour (\$8.4 million) and whole milk powder (\$5.2 million).

AGRICULTURAL IMPORT PATTERN

When we turn to Canada's agricultural imports, we discover that the United States supplies about half of these. The range of products coming across the border into Canada is very wide, some of the more important items, with 1956 values, are soybeans \$24.4 million, Corn \$12.6 million, soybean oil cake and meal \$11.5 million, turkeys \$5.4 million, fresh citrus fruit \$30.7 million, grapes \$8.6 million, fruit juices \$17.4 million, fresh vegetables \$37.5 million, potatoes \$9.3 million and raw cotton \$29.4 million.

Other countries from which Canada imports considerable quantities of agricultural products include Australia, Brazil, India, Malaya, Ceylon and Mexico. The most important agricultural products imported from Australia are raisins, raw sugar, canned meats and wool. Brazil ships principally coffee, Ceylon tea and coconut oil, India tea, Malaya crude rubber, and Mexico raw cotton.

FUTURE TRENDS

As predicted by the Royal Commission on Canada's Economic Prospects, it is to be expected that, with a continuing increase in population and industrial development, the home market will continue to absorb more of Canada's agricultural production and reduce the dependence of agriculture on the export market. Wheat will undoubtedly remain one of Canada's most important exports and outlets will continue to be needed throughout the world. In fact, the Commission foresees wheat exports in 1980 little changed from the present level. In addition, there should be outlets for a wide variety of high-quality products from Canadian farms in a number of countries which enjoy a high level of industrial development.