
Sweet corn, green peas and snap beans, which are grown primarily in Ontario and Quebec, are of special interest because they are often an important part of a plant's production. The degree to which such processed products will be competitive is of concern since they tend to be high volume commodity products in which the larger U.S. plants have the advantage of economies of size. Corn in Western Canada could be vulnerable under free trade.

Market Opportunities

In general, the Agreement provides good opportunities for a number of horticultural commodities, particularly floriculture and certain vegetables.

Floriculture

Floral product trade between Canada and the United States was worth approximately \$63 million in 1986. In that year, Canada's imports were \$22.5 million from the United States, while Canada's exports were \$40.5 million to the United States. From 1981 to 1986, Canadian exports of floral products to the United States increased at a rate of 28 per cent each year, while Canadian imports of floral products from the United States have increased at a yearly rate of eight per cent.

The cut-flower sector expects that the Agreement could increase opportunity for local border trade based on local market conditions, while Canadian pot-plant producers expect that the Agreement will increase Canadian access to markets in the Eastern United States and along the west coast. Pot-plant crops are expected to provide the primary opportunity for increased Canadian floral exports.

Vegetables

Previous studies have indicated that opportunities do exist to increase exports to local markets in the northeastern United States.

Exports of fresh table and seed potatoes from Eastern Canada run in the range of \$35-40 million annually and exports could increase through the elimination of the 35¢/cwt U.S. tariff and the reduction in technical trade barriers that have plagued Canadian exports. The Atlantic Provinces and some regions of Ontario and Quebec will benefit from the elimination of U.S. duties on cole crops such as cabbages, broccoli, brussels sprouts and cauliflower, which are a significant deterrent to Canadian exports. Other vegetables that should benefit from reduced tariffs include carrots, onions, sweet corn, greenhouse cucumbers, mushrooms and frozen potato products. In 1986, these vegetable crops accounted for more than \$88 million in export sales to the United States.

Poultry and Eggs

Background

Industry sectors include breeders, hatcheries, egg production, grading and processing, hatching egg, chicken and turkey production, chicken and turkey processing and further processing.