

SECTOR

AGRICULTURAL AND FOOD PRODUCTS

1. Market Opportunity Overviews

Agricultural products:

Canadian animal breeding stock and genetic material enjoy a reputation for high quality and veterinary health standards. Offshore sales of animals and semen totalled \$65 million in 1983. There are opportunities for both animals and genetic material in South America, particularly dairy and swine; swine breeding stock in Southeast Asia and China. The challenge in Europe is to maintain market share in the face of tariff and non-tariff barriers. The U.S.A. remains the largest single market for beef and dairy animals, semen and embryos.

Seed and table potatoes have some potential for expanded exports in the Middle East/North Africa and South America; more secure access to the E.E.C. is crucial for continued sales both within the expanded Community and to other markets. Apples, blueberries and other berry crops have continued prospects in the U.K., Western Europe, Japan and Southeast Asia. The major opportunities for the nursery and floriculture sector are concentrated in the U.S.A.

Canadian forage and oilseed varieties are facing more selective demand and difficult access in European markets, but have good long term possibilities in Japan and China. Japan and Korea should be continuing markets for certain livestock feeds (dehy. alfalfa, canola meal) and there is potential for feed ingredients and technical services in South and Central America. Pulse crops have prospects for growing markets in the Middle East/North Africa and South America. The U.K. is the major buyer of white beans. Edible soybeans also do well in Southeast Asia. In the face of declining domestic and traditional export markets for leaf tobacco, countries in the Middle East with tobacco monopolies appear to offer the only growth prospects.

Food Products:

This sector comprises all processed foods, including meat, dairy cereal preparations, fruits and vegetables, honey, sugars and syrups, confectionary spices, oils/fats/shortening, beverages and other preparations. Exports by 38 countries, which account for more than 80% of world trade in these products, totalled U.S. \$61,000 million in 1982, a 500% increase over 1970. As comparable Canadian exports rose by 360% from \$476 million in 1970 to \$1,711 in 1982, Canada's share of this trade declined from 3.9% to 2.8%.

The principal products entering trade are meat (25% of sector trade in 1982), dairy (19%) and beverages (13%). Most categories show values in excess of \$1,600 million and even the smallest (honey) had shipments in excess of \$100 million. The major destinations are Western Europe, U.S.A., Middle East and the Pacific. However, for a variety of reasons, the most attractive opportunities exist in the U.S.A., Pacific, Middle East and the Caribbean. In the U.S.A., Canada is historically the largest supplier, but there is ample opportunity for additional sales in every category; the Pacific (notably Japan) is an expanding market and, although Canadian sales have grown at twice the total market, there are opportunities in all major sectors; Canadian exports to the Middle East, the fastest growing market, are less than 1% of the total; sales to the Caribbean have maintained their share of that market.