

As Chart 2 illustrates, over the period under review, imports for the eight other product groups (excluding canned hams and shoulders) have risen from 23.9 to 62.4 million pounds or \$374.7 million (U.S.) to \$531.6 million (U.S.). In spite of this, they represent only a small percentage of U.S. production, although that percentage has increased two and one half times. At the same time, Canada's share of these imports has risen from 28.8% to 36.4% of the total. It would seem that some Canadian exporters may have developed a niche for themselves in the market and that there is opportunity for others to do likewise. The possibility exists that the United States may impose more stringent controls on imports from Western Europe as a result of the current international disagreements on agricultural product trade, and Canadian exporters could benefit from this.

Additional marketing information on the relationship between Canadian and U.S. prices for pork cuts is provided in Appendix 8. Guidelines for new Canadian exporters are presented in Appendix 9.

Since U.S. tariffs and non-tariffs on Canadian pork or processed meats are either nonexistent or minimal, an elimination of tariffs through the Free Trade Agreement will have little impact on the industry. Fresh and fresh frozen pork is already traded duty free, while processed meat products carry a duty of 2.2¢/kg. A listing of tariffs is found in Appendix 10.

U.S. INDUSTRY OUTLOOK

This section is based on the *1988 U.S. Industrial Outlook* published by the USDOC. This information provides a general forecast of short-term prospects and gives an indication of expected trends and developments in the U.S. processed pork sector. While such information may be of interest, readers should proceed with caution in utilizing the data for the following reasons.

Firstly, although the USDOC is the source of both the "U.S. Imports 1982-87" (summarized above) and the "U.S. Industry Outlook", two different systems of product classification are used. Differences may not be obvious. In some cases, slightly different titles reflect very similar sets of products; in others, similar titles for sectors or product groups encompass a slightly different mix of products. Thus the market forecasts in the "U.S. Industry Outlook" section may cover a slightly different mix of products than the rest of this report.