

AGRICULTURE, FOOD AND BEVERAGES

The agri-food industry is an important component not only of the economy of Canada but also of the economies of all the provinces. It accounts for 8 percent of Canada's gross national product (GNP) and employs close to 2 million people (1995). For every \$1 billion of value-added exports, 15,000 new Canadian jobs are maintained or created.

Table 2: Overview of the Agriculture, Food and Beverages Sector in

Canada, 1994-95	(\$ billions)
Farm inputs	10.5*
Primary agriculture	23.8
Food processing	42.0
Beverage processing	6.7
Food retailing	54.0
Food service	27.6
Agri-food exports	17.5
Agri-food imports	12.7

* - 1993 data
Source: Agriculture and Agri-Food Canada (1996)

Strategic Direction

The goal of Canada's agri-food strategy is to increase the value of Canada's exports of agri-food products to \$20 billion by the year 2000. This goal will be achieved by combining the strong determination of the industry with appropriate support from governments. Ultimately, Canada's goal is to recapture a 3.5-percent share of world trade in agri-food products, a share that was held in the early 1960s.

Good progress has been made toward reaching this goal. Exports of agricultural and food products increased to \$17.5 billion in 1995 from \$13.3 billion in 1993, when the goal was set.

The strategy to achieve the \$20-billion goal recognizes the need for Canada to become more competitive in the increasingly globalized world

economy. It calls for a more sharply focussed, streamlined effort, co-ordinated among federal and provincial governments, in support of industry's export drive, and in support of initiatives to attract international investment and technology.

The emphasis is on value-added products, the most rapidly growing sector in terms of international trade. Efforts will be targeted at high-potential markets, where significant, measurable results can be achieved. Governments will work together in developing detailed, three- to five-year action plans for those priority markets.

The strategy is underpinned by the vision of a world-competitive, market-oriented Canadian agri-food industry by the year 2000. There are enormous opportunities to capitalize on Canada's food production potential and excellent image abroad to increase exports and attract investment. In responding to these opportunities, government, in consultation with industry, will focus efforts in six key areas:

1. Helping Canadian companies become export ready by ensuring access to adequate training, information, skills and support.
2. Enhancing trade performance through appropriate use of and participation in trade shows, missions and promotions.
3. Disseminating market information and intelligence with an expanded array of information products, focussed on client needs and delivered as needed.
4. Streamlining delivery of government programs and services through improved co-ordination and co-operation among governments and industry in international business-development activities.
5. Improving market access by managing and monitoring existing trade agreements as well as by pursuing new access and resolution of current trade issues.
6. Attracting international business investment by an expanded effort to inform potential investors of the strengths of the Canadian agri-food industry.

Total global agri-food exports were close to US\$400 billion in 1993. Between 1972 and 1992 the average yearly growth rate was 8 percent. Canada's share of this trade was just over 3 percent.

Tremendous export opportunities exist for the Canadian agri-food sector. Value-added products, such as processed meats, baked goods and canned and frozen fruits and vegetables, constitute the largest, fastest-growing and most profitable part of the world's agri-food trade. If the Canadian industry is to reach the goal of \$20 billion in exports by the year 2000, it will be through a major shift in its product mix. A substantial increase in exports of value-added, consumer-ready products is needed to complement the exports of bulk commodities.

The United States continues to be Canada's most important market. Other major markets are in Asia, the European Union and Mexico.

Table 3 shows a breakdown of the Canadian agri-food industry's main foreign markets.

Table 3: Trends in Canadian Agri-food Trade

Country	Canadian Exports (\$ millions, average 1993-95)	Canadian Market Share* (%)
Japan	1 736.5	5.3
China	814.2	6.0
South Korea	381.2	3.0
Taiwan	111.6	2.0
Mexico	321.2	7.0
Brazil	251.2	3.5
European Union	1 407.1	2.0
United States	8 018.7	20.0
Other markets	2 343.2	n.a.
TOTAL	\$15 384.9	3.1%

* year of estimate varies by market.

Contacts

Agriculture and Agri-Food Canada
Tel: (613) 759-7638
Fax: (613) 759-7506

Department of Foreign Affairs and
International Trade
Market Intelligence Division
Tel: (613) 995-1773
Fax: (613) 943-1103

Nova Scotia Department of
Agriculture and Marketing
Tel: (902) 893-6388
Fax: (902) 895-9403

British Columbia Ministry of Agriculture,
Fisheries and Food
Tel: (250) 356-2946
Fax: (250) 356-2949

British Columbia Trade
Development Corporation
Tel: (604) 844-1944
Fax: (604) 844-1925

Alberta Agriculture,
Food and Rural Development
Tel: (403) 427-4241
Fax: (403) 422-9746

Saskatchewan Agriculture and Food
Tel: (306) 787-5966
Fax: (306) 787-0271

Saskatchewan Economic Development
Tel: (306) 787-6666
Fax: (306) 787-3989

Manitoba Agriculture
Tel: (204) 945-4490
Fax: (204) 945-6134

Ontario Ministry of Agriculture,
Food and Rural Affairs
Tel: (519) 826-3693
Fax: (519) 826-3460

Quebec Ministry of Agriculture,
Fisheries and Food
Tel: (514) 873-4410
Fax: (514) 873-2364

New Brunswick Department of Agriculture
Tel: (506) 457-7268
Fax: (506) 453-7406

Enterprise PEI
Tel: (902) 368-6324
Fax: (902) 368-6301

Newfoundland Department of Fisheries,
Food and Agriculture
Tel: (709) 729-6769
Fax: (709) 729-6046