
Nearly 90 per cent of total domestic tomato production is processed. Most of this is done in Ontario. Under the Agreement, producers of tomatoes for processing could be adversely affected by increased imports of both raw product and processed tomato products. Even with raw product prices close to nearby U.S. prices, the loss of tariff protection on processed tomato products will put pressure on the processing industry, especially the tomato paste segment. Even now the industry is experiencing difficulty despite reduced prices for part of their tomato supplies. Although much of the import pressure comes from offshore and is felt in both the United States and Canada, paste imports from the United States, which are higher priced than those from Europe, are substantial and will very likely increase. Returns to both tomato growers and processors could decline.

Mushrooms

Domestic mushroom production has been increasing and will benefit from the removal of the high U.S. tariff. About three quarters of the total output is in Ontario and Quebec. Fresh imports are from the United States and also have been increasing. It is believed that the Canadian fresh mushroom sector is or could become competitive with the United States and, in fact, there could be export opportunities. Climate is not a significant factor but some Canadian operations may need time to allow for the adoption of newer production methods.

Other Fresh Vegetables

In 1985, cole crops (cabbage, etc.), asparagus and other fresh vegetables had a farmgate value for sales to the fresh and processing markets of \$284 million, while imports were \$258 million (95 per cent from the United States) and exports \$34 million.

Elimination of tariffs on fresh vegetables could adversely affect celery production outside of the main growing areas of Ontario and Quebec, and onion production in British Columbia.

Other Processing and Processed Vegetables

Among the other vegetables, those with an appreciable percentage of production going to processing are green peas (100 per cent), snap beans (80 per cent), sweet corn (80 per cent), cucumbers (60 per cent), and carrots (17 per cent). Production for processing, however, is usually a separate activity from production for the fresh market.

The processed products most vulnerable under an agreement will include frozen baby carrots and dehydrated celery. In Ontario and Quebec, pickling cucumbers (produced on about 2 000 hectares) could be under some pressure.