

**AGRICULTURAL SECTOR : QUESTION #6**

Will Mexican products not compete directly with Canadian products, especially during the Canadian marketing seasons?

**Background:**

The majority of Mexican exports to Canada are complementary in nature or do not compete with Canadian agricultural products. Fresh fruits and vegetables tend to be marketed at times when Canadian (and to a lesser extent American) produce is in low supply or non-existent. Other produce is not grown domestically, such as coffee, cocoa, and tropical fruits. Overlap does, nevertheless, exist with certain Mexican products.marketing practices. Affected mostly are greenhouse tomatoes and cucumbers which compete directly with both American and Mexican produce. Export of frozen vegetables, especially of broccoli, and cauliflower has increased recently from Mexico to both Canada and the U.S.

The volume of trade must considered as well. While both Canada and Mexico have relatively large agri-food trade with the United States (\$7.9 billion and \$5.9 billion respectively), the trade between Mexico and Canada is relatively modest at 0.3 billion.

**RESPONSE:**

- THE LIBERALIZATION WILL NOT SIGNIFICANTLY CHANGE THE AGRICULTURAL ENVIRONMENT WITH RESPECT TO COMPETITION ON CANADIAN MARKETS DUE TO THE LARGELY COMPLEMENTARY NATURE OF THE MEXICAN FRESH FOOD PRODUCE EXPORTS TO CANADA. MOREOVER, MANY IMPORTS, SUCH AS BANANAS, PINEAPPLES, AND GRAPEFRUIT, CANNOT BE PRODUCED IN CANADA OR ARE PRODUCED IN VERY LIMITED QUANTITIES.
  
- MEXICAN AGRICULTURAL IMPORTS INTO CANADA ARE SMALL, LESS THAN TWO PERCENT OF TOTAL FOOD IMPORTS. MOST OF THE FRUITS AND VEGETABLES ARE IMPORTED DURING THE MONTHS WHEN DOMESTIC PRODUCE IS NOT AVAILABLE.