

for medium priced innovative machinery suitable for smaller and medium sized manufacturing industries in the State. There is a trend among the more technically minded distributors to offer complete packaging-line systems. Distributors who do not have access to a total system often sub-contract missing equipment to other manufacturers.

Research showed that most U.S. packaging machinery manufacturers, including those who manufacture in California, use outside distribution channels to sell their products. The term "distributor" is widely used in California; however, most selling organizations calling themselves distributors are usually sales representatives or agents. Canadian manufacturers will find that Californian distributors are interested in learning more about Canadian products, which generally have an excellent reputation in the marketplace. Distributor interviews included in this report will prove useful in assisting Canadian manufacturers to assess distributors' attitudes and the range of products they sell. Although distributors primarily expressed interest in machinery which related specifically to their existing product ranges, there was sufficient interest expressed to indicate that most machine types included in this study have selling potential in the State's machinery market.

The main prospects for Canadian machinery sales are initially concentrated in California's large and diversified food manufacturing industry. Distributors and other industry sources state that the wine industry and certain segments of the agricultural industry will be major growth areas for the next decade. California's food industries spent \$614.7 million