

Although some elements of the agri-food sector, particularly the supply-managed industries, have concerns about trade liberalization, a resolution of subsidies and market access issues through the current round of the Multilateral Trade Negotiations (MTN) and the implementation of the North American Free Trade Agreement (NAFTA) will have a positive impact on Canadian agri-food exports.

The relatively low value of the majority of primary agriculture products necessitates efficient and cost effective shipping and handling. This means that large firms, often multi-nationals, tend to dominate the international markets because they are the only ones able to amass sufficient quantities of a commodity. However, only a few multinationals are based in Canada. The exception to this is the grains and oilseeds sector, in which multinationals are active participants in the export of Canadian commodities. In general, however, the marketing capability (distribution, supply, etc.) of multinationals in Canada, is significant and should be utilized more fully by small and medium-sized enterprises. As well, multinationals should be encouraged to develop more world product mandates for Canadian subsidiaries.