

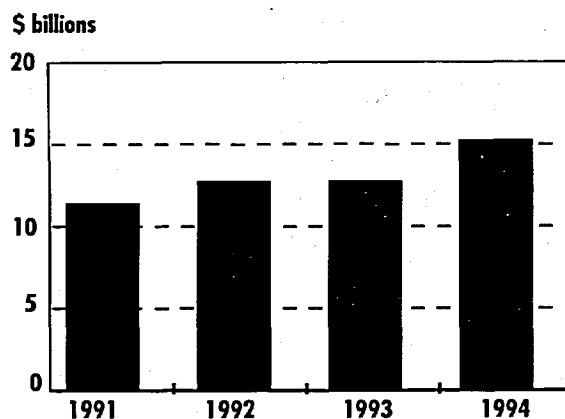
Toronto for its "snails in a pastry" dish and Culinar Food Inc. of Montreal for its crackers. Algonquin Breweries was an international prize winner in 1993. Sogelco's "Lobsterine" was awarded the Gold Medal in 1995 from the Chefs of America Foundation.

AGRI-FOOD EXPORTS: A NATIONAL PRIORITY

Canada enjoys a long history as a trading nation. It is therefore not surprising that the processed food and beverage sector that is so important in Canada's domestic economy should also feature prominently in the country's international trade. On a per capita basis, Canada's agri-food exports are nearly double those of the United States. As a percentage of GDP, Canada's agri-food trade is more than twice that of the U.S. and Mexico and it continues to grow. Canada's agri-food exports rose by more than 40 percent between 1991 and 1994 (see Figure 6).

Much of this growth is directly attributable to the preferred access Canadian producers began to enjoy to the markets of the United States once the Free Trade Agreement

Figure 6.
Canadian Agri-food Exports to All Countries, 1991-1994 (\$ billions)



Source: Agriculture and Agri-Food Canada, International Markets Bureau.

Figure 7.
Canadian Agri-Food Exports to the United States (\$ millions)

	1991	1992	1993	1994
Live animals	872.9	1,245.0	1,363.9	1,309.8
Meats and offal	698.6	817.8	1,024.9	1,118.2
Beverages and spirits	660.4	735.2	797.9	915.5
Bulk grains	219.4	418.6	560.3	902.1
Processed grain-based products	302.1	382.5	499.9	642.6
Other	1,783.4	2,334.0	3,111.3	3,210.2

Source: Agriculture and Agri-Food Canada, International Markets Bureau.

between the two countries came into force in 1989. There are many cases of food and beverage categories where trade has increased significantly in both directions.

One such example is wheat-based products, including flour, bakery mixes, pasta and baked goods. Canada-U.S. trade in these products has increased dramatically, taking advantage of rapid market growth in both countries (see Figure 7).

The advent of free trade with Mexico under the terms of the NAFTA will further stimulate agri-food exports to that large and growing market. At the same time, one of the factors that will contribute to even stronger future trade performance is the elimination of internal barriers to trade which were inherent in Canada's supply management and orderly marketing regimes for the dairy and poultry industries. Coupled with enhanced access to imported raw materials under the NAFTA, this will allow Canadian-based processors freer access to supplies of these commodities produced throughout Canada, the U.S. and Mexico.