

Table 3. Results of Regression Analysis using USDA Trade Data.

Equation characteristics	Dependent variable	
	U.S. ag. exports to Canada	Canadian ag. exports to U.S.
Number of observations	27	27
Degrees of freedom	23	23
Real exchange rate:		
coefficient	-1017	1020
T value	-1.27	0.88
Dummy for CFTA/NAFTA:		
coefficient	2379	1566
T value	10.28	4.69
Linear Trend		
coefficient	97	107
T value	4.29	3.27
R squared	0.97	0.94

Form of equation: Simple linear regression.

Units:

Exports and imports: million US dollars.

Real exchange rate: Canadian dollars per US dollar.

Values range from 0.85 to 1.39.

Dummy: 0 for years without CFTA/NAFTA, 1 for years with CFTA/NAFTA.

Note that 1989 = 0, i.e., a one-year lag in CFTA/NAFTA's impact was assumed.

Linear Trend: 1969 = 1, 1970 = 2, ..., 1995 = 27.

Sources: Exports, (1); real exchange rates, (5).