

licensing and a ban on offal.

The major constraints to the expansion of our exports to Cuba is the need for credit financing and the scarce availability of foreign currency, which will remain for the next few years.

Argentina has systematically refused to allow pork imports from Canada arguing that Canadian pork presented a risk of communicating diseases to the domestic hog population although Agriculture Canada was able to demonstrate that our products could be imported with an acceptable risk.

In summary, Canada's pork industry development has been spurred by export development and production continues year after year indicating a commitment and ability to serve both domestic and international markets. The importance of exports as a vital part of Canada's pork industry is recognized by participants at all levels. It has become an integral part of their total output today and this is expected to continue into the future.

## 5. OVERVIEW OF EXPORT MARKET OPPORTUNITIES

### UNITED STATES

During the 1980's when the United States was the world's largest pork importer Canada enjoyed a favourable position in this market. However, the US hog and pork sector is rapidly moving towards self-sufficiency and is expected to become a net exporter of pork in the near term. This change is being driven by consolidation at both the producer and packer/processor levels. Productivity gains are being made by both groups.

The quality advantage that Canadian hogs have enjoyed in the US market is diminishing as American producers continue to import Canadian and European genetics. The resultant changes will make the USA, Canada's most important export market, more difficult to access. Nevertheless, the U.S. still remains the key market for pork and processed pork, absorbing about 65% of total pork exports.

With US per capita consumption at 31 kg, pork has evolved into a product with a high degree of consumer demand as it is viewed as one of the meats of choice for health conscious U.S. consumers. This has a very positive affect for lean carcass cuts. Fattier cuts will be more difficult to sell. Consumers are demanding meat products that are convenient and/or "different". Low fat products that taste good will sell.

In Jan. 1993, USDA issued its' final rule on "Nutritional Labelling of Meat and Poultry Products". Theses rules become effective in July 1994, when most processed meat and poultry products must carry the new nutritional label. This will mean that there are some significant differences between the US and Canadian systems. Health claims will be allowed on US labels while not in Canada. Serving sizes become a must on labels in the U.S. and imitation products will be able to call themselves by mainstream or generic