of the total. Other farm machinery sales experienced a slight up-turn but still fell below historic levels.

In 1986, the U.S. industry experienced greater U.S. imports than exports, as worldwide competition intensified. Exports in 1987 were estimated at $1.39 billion (U.S.) and imports at $1.65 billion (U.S.).

The U.S. Department of Commerce forecasts a rise in shipments of agricultural machinery for 1988. Assuming that farmers' incomes will rise and that farmers will spend some of this increase for machinery, shipments are expected to rise by 3% in constant dollars. U.S. exports are expected to continue their decline and imports their rise as U.S. farmers depend on foreign sources for over 85% of their tractors regardless of the value of the U.S. dollar. In the long term, imports are expected to rise due to increasing world production of farm machinery and the increasing technological advantage foreign producers hold over their U.S. counterparts.

This chapter has provided a definition of the products included within the scope of this report, the criteria used for their selection, and a summary of U.S. imports of those products for 1982-87. Where available, a short-term outlook for the corresponding U.S. industry has also been provided. As this report is only intended to provide a sectoral overview and an indication of the opportunities that may exist for increased Canadian exports, individual readers are strongly encouraged to conduct more in-depth research on any potential opportunities identified.

Users of this report who are interested in undertaking further research into specific markets are also encouraged to contact any of the Canadian Government Trade Development offices listed in the final Appendix to this report, to determine what assistance may be available to them.