

APPENDIX "D"

Comments on Traditional Canadian Exports to the Caribbean Area

a) *Flour*—Wheat flour remains the largest single item on the export list but Canadian sales have declined drastically in both absolute and relative terms.

Canadian exports have lost ground to those of the United States, France and Australia, because of the basic inability to compete with subsidized wheat produced in those countries. In large part, this decline in sales has also been a result of import-substitution policies on the part of local governments. Because of the subsequent decision of Canadian milling companies not to initiate operations within the area, an increasing share of the market has gone to American firms, which also tend to rely on supplies of American wheat.

There appears to be little prospect of Canada regaining a larger share of the West Indian market for this commodity. The importing countries in the area are honouring their commitment to ensure a fair opportunity for Canadian trade in these products. The decline is, then, part of the overall adjustment problem confronting the Canadian wheat producer and Canadian governments.

b) *Fish Products*—Canada's exports in this area have been highly competitive and have tended to dominate the market. In very recent years there have been some declines, however, and it is possible that more will follow. The reasons appear to lie in three areas: changes in taste by consumers with rising incomes to which the Canadian producers have not adapted either in terms of quality or packaging; increasing competition in certain product-lines by other exporters; and, to some extent, growing domestic production.

Flexible and aggressive marketing should enable Canadian suppliers to adapt to changes in patterns or consumption and to maintain a commanding market position in the face of present competition.

c) *Meats*—After expanding very rapidly between 1950 and 1965, exports of Canadian meats have now declined somewhat. Further declines can be anticipated as most of the countries place a high priority on import replacement in this area, and, within the CARIFTA region, Guyana seeks to specialize increasingly in live-stock production. A further factor is that Canadian meats (particularly fresh meats) are very often uncompetitive with those of Australia, New Zealand and other major suppliers.