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## *Fruit*

### *Apples*

Imports are about 20 per cent of total supply, which averages around 550 000 tonnes. About 55 per cent of total supply goes to the fresh market, 10 per cent is exported fresh and 35 per cent is used for processing.

The area of some concern to producers is the growth in imports of juice concentrate. The juice market is an important outlet for apples surplus to domestic fresh requirements, especially in years of above-average harvests. Under the Agreement, surplus apples will continue to be used for juice but at a lower return to producers. The overall effect of the Agreement on farm revenues will be small. The production of juice from concentrate for both the domestic and export markets has become an important part of the income of processors and the Agreement will facilitate this enterprise.

Note that the United States has no tariff on juice concentrate and imports of third-country concentrate via the United States will still be subject to rule-of-origin provisions and tariffs when the Canadian tariff is removed on Canada-U.S. trade.

### *Strawberries*

The fresh strawberry market has been growing. Although the tariff was increased in 1979, its phased elimination will have only a modest effect on producers, since 75 per cent of their sales are through pick-your-own operations, with imports often sold by retailers at promotional prices.

About 20 per cent of Canada's strawberry production is sold for processing, of which over 90 per cent is used in frozen products. This is a growth market.

The loss of tariff protection will reduce incomes of those producers selling for processing and to major retail chains. Growers selling direct through pick-your-own operations will not likely be affected. Strawberries are an important product for processors and tariffs on processed strawberry products are greater than those on the raw product. Elimination of tariffs will reduce import costs for processors.

### *Grapes*

The elements of the Agreement for wine will have a significant impact on grape production. Modifications the provinces will be required to make in their wine production and marketing practices may also have an impact on the use of domestic grapes in wine-making. Some preliminary estimates suggest that producers of up to one third of the 77 000 tonne production in Ontario and most of the 12 000 tonne production in British Columbia will face adjustments.