

EXECUTIVE SUMMARY

This report addresses one of approximately 80 sectors reviewed as part of a broadly-based study commissioned by the U.S. Trade, Tourism and Investment Development Bureau of the Department of External Affairs. The objective of this study is to provide a preliminary indication of potential opportunities for the expansion of Canadian exports into the United States. The findings in each report are based on an analysis of U.S. trade statistics and a limited survey of U.S. importers and trade associations from a broad cross-section of the U.S. industry.

The purpose of each report is to assist Canadian companies in identifying potential export opportunities that may justify further investigation. While the reports do not provide analyses of Canadian export industries or their international competitiveness, they do provide other kinds of information that should be useful. For example, each report provides information on individual companies that have indicated an interest in new sources of supply, some of which are quite specific. Information on U.S. import market size and shares and on industry publications and trade fairs that the companies surveyed felt were most useful is also provided. As such, individual reports in the series should be of particular interest to small and medium-sized Canadian companies that either are not yet exporting or that would like to increase their level of exports to the United States.

Pork and processed meat, as part of the meat industry, were the sectors examined during the study. The value of U.S. shipments of meat and meat products, including poultry, surpassed \$69.7 billion (U.S.) for 1987. But the United States also imported more than \$532 million (U.S.) worth of pork and processed meats, with 52% of it coming from developed countries. Canned hams and shoulders accounted for 86% of these imports. As the trend towards a larger volume of imports continues to grow and the European share of this market declines, Canada has the opportunity to increase its sales in this industry.

A survey of U.S. importers of pork and processed meat products, which were of concern to this report, was conducted to determine the effects of the devaluation of the U.S. dollar on imports from major developed countries and potential opportunities for Canadian manufacturers to replace these imports. (A depreciation of the U.S. dollar against the Canadian dollar would also affect U.S. purchases of Canadian pork and processed meat products). Some of the respondents to the survey felt (43.3%) that the devaluation of the U.S. dollar had increased the cost of their imported