

## Assessment of the Agreement's Effect on Agriculture

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This section reviews the impact of the Agreement for the agri-food sector, on a broad commodity group basis. In making the sub-sector assessments that follow, it has been assumed that the current market conditions will not change dramatically, and that no major modifications will occur in the agricultural policies of either Canada or the United States.

Ninety-nine per cent of Canada's farms are family farms and the overwhelming majority are operated by married persons who will share the adjustments and benefits of the Agreement described in this assessment. Farm women's groups have indicated that free trade is a major issue, along with issues relating to the farm financial situation and the survival of the family farm.

The assessment that follows shows the impact of the various elements of the Agreement on grains and oilseeds, livestock and red meats, dairy, horticulture, poultry and eggs and special crops.

### Grains and Oilseeds

#### Background

This sector includes farm production of grains and oilseeds and primary food processing in which grains and oilseeds are used as raw materials. The major grains are wheat, barley, corn, oats and rye. The major oilseeds are canola, soybeans and flaxseed.

#### *Farm Production*

In 1986, exports of grains, oilseeds and their products totalled \$4.9 billion, 59 per cent of the total value of agricultural exports. Of this total, only \$183 million or 3.7 per cent was shipped to the United States. Wheat, barley and canola, which accounted for 34 per cent, seven per cent and five per cent of the total value of agricultural exports respectively, were the major export crops. Grain and oilseed products, primarily wheat flour and canola oil, accounted for six per cent of the total. Canada is the sixth largest producer and the second largest exporter of wheat in the world. It is the third largest producer and the largest exporter of canola.

In Canada, over 33 per cent of all farm cash receipts in 1986 were from grains and oilseeds. Annual cash receipts from the sale of grains and oilseeds were about \$7 billion (1986). Wheat accounted for 41 per cent of this total, barley 11 per cent, corn 6.5 per cent and oilseeds 15 per cent.

There were 105,452 producers of grains and oilseeds in Canada in 1986. Of this total, 226 were in Atlantic Canada, 3,139 in Quebec, 14,426 in Ontario and 87,661 in Western Canada.